

THE DEPARTMENT OF STATE



Bulletin

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THE DEPARTMENT OF STATE

Bulletin

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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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The Price of Peace and Progress

*by Deputy Under Secretary Henderson*¹

I am quite sure that not one Southwestern student, nor, for that matter, any member of the faculty, had the slightest realization in the spring of 1914 of the sweeping changes that were about to take place in their world. We, of course, expected changes—were hoping for them. The word “progress” was fashionable in those days. Most of us cherished the comforting conviction that, since good ultimately triumphs, change would mean progress and progress was synonymous with the peaceful advance of mankind.

In the spring of 1912 I won the freshman oratorical prize of the Athenian literary society with an oration which, in keeping with the spirit of the times, was entitled “The Price of Progress.” The theme of this oration was that man must progress. He must move forward spiritually, culturally, and materially. Progress could be attained only at the cost of a certain amount of human suffering and sacrifice; nevertheless it was worth the cost. I can still recall the rather high-flown opening words of that oration. They were based on certain scientific theories, long since discarded. I began as follows: “The material world never changes in its volumes or its powers. The earth swings through space, balanced between sun and sun, never increasing or decreasing in the velocity of its revolutions. The human world, however, is not so. The very nature of man compels him to move forward, to grope toward the light.”

Even though during the spring of 1914, my last on this campus, clouds were hanging over

Europe, we could not bring ourselves to believe that our civilization would tolerate a war which would entail mass human slaughter. Our views that peace would prevail were strengthened by learned pronouncements of statesmen and economists. A guest lecturer from one of our great eastern universities assured us that for financial reasons alone no European war could last longer than a few weeks. Bankruptcy would compel the countries involved to lay down their arms and to compose their differences in a more enlightened manner.

When in the summer of 1914 the newspapers and bulletin boards—this was long before the time of radio broadcasts and television—carried headlines about clashes of gigantic armies in Western and Eastern Europe and of casualties by the tens of thousands, we could hardly bring ourselves to believe that we were not merely experiencing a horrible nightmare. It did not occur to us that these armed clashes were merely preparing the stage for developments which in less than 50 years would drastically change our ways of living and thinking, basically alter the world position of the United States, and threaten the very foundations of our civilization.

Even after the United States had become involved in World War I, we entertained high hopes that it would be the war to end all wars, that the victory of democracy would result in a world in which all peoples could cooperate peaceably in the task of elevating mankind. As the war neared its end, we failed to take serious note of the fact that a handful of Communists had opened in Russia a Pandora's box from which was emerging a pestilence which would plague the world during the remainder of our lives.

¹ Address made at commencement exercises at Southwestern College, Winfield, Kans., on May 24 (press release 352 dated May 22). Mr. Henderson was awarded the honorary degree of Doctor of Public Administration.

We underestimated the power of the deceptive slogans employed by the Communists—slogans calculated to inspire hatreds and jealousies, to excite contempt for religion and derision for what we considered to be virtues, to promote racial and religious strife, to deprecate free private enterprise, to create distrust and discord between employer and employee, to set children against their parents, to turn nation against nation and continent against continent. The Communists have proved during the last 40 years that, even though man may have made progress since the stone age, such emotions as hatred, jealousy, and blood lust are still not too deeply latent and in the absence of individual spiritual development can be aroused to such a degree that they can almost completely dominate him.

I do not believe that nazism and fascism would have been able to sweep Central and Western Europe after the First World War if it had not been for the machinations of international communism, its propagation of distrust of democratic processes, its promotion of dissension among the peoples of the West.

Distortion of Nationalism by Communists

The distortion of nationalism among many of the peoples of Africa, Asia, and Latin America into feelings of vindictiveness and envy is primarily the result of astute Communist agitation. Nationalism in itself is a noble sentiment. It springs from the natural desire of a people bound to one another by ties of blood, tradition, or geography to work together for the common purpose of raising their cultural, material, social, and spiritual status on the basis of their own history and heritage. Nationalism in its highest form prompts a people to cooperate with other peoples to the advantage of mankind. International communism has, however, succeeded in degrading nationalism in certain areas of the world, in using it to nurture and enlarge upon outgrown or fancied wrongs, in transforming it from a constructive force to one of destruction and disintegration.

In many countries over which they have not gained control international Communists, under the shelter of free institutions, are energetically and systematically endeavoring to produce chaos and strife. In the countries in which they have already seized control they are seeking to main-

tain conformity and discipline by brutal suppression of human liberties.

I am not basing my remarks on hearsay but on firsthand experience and observation. For 18 years, that is, from 1925 to 1943, my work in the State Department or abroad was devoted to matters pertaining primarily to Eastern Europe and international communism. Five years of this period was spent in the Soviet Union. From 1943 to 1955 my work in the Department or abroad brought me into close contact with the nations of the Near East, South Asia, and Africa. During this period I spent 8 years in Iraq, India, and Iran. I have thus had many opportunities to observe Communists in action, both in countries already under their control and in those countries which they are trying to subvert.

I have seen the trickery to which they have resorted in order to divert the rising tide of nationalism in certain countries into channels hostile to the West, particularly to the United States, which as a leader of the free world is their principal target. We cannot discount the seriousness of their successes in China, in north Korea, and in several areas of southeastern Asia. As a result of their victory on the Chinese mainland they are now instilling hatred of the United States into 600 million Chinese who have little or no opportunity to learn that the American people have always been friendly to the Chinese people and that the United States for almost half a century was one of the staunchest supporters of the integrity of China.

For many years the Communists have been making strenuous efforts to spread the falsehood among peoples of the Arab world that the United States has imperialist ambitions with respect to them and that it is opposed to Arab unity and cooperation. The Communists only recently have taken advantage of the unstable situation in Iraq to gain influence there which, if not checked, may undermine the independence of that country. The Communist-controlled press and radio are trying to convince the Iraqi people that the United States is their enemy. The ties between the people of Iraq and those of the United States have been friendly ever since Iraq achieved its independence. We hope that the memory of the Iraqi people is not so short that they will be deceived by this malicious campaign.

In Africa also international communism is

utilizing agents who for many years have been in training for the hate-provoking tasks to which they are now assigned.

In South and Central America communism continues to be virulently active. It seeks to stir up dissension and distrust among our Latin American friends and to create the belief that the United States is responsible for all economic, political, or social ills. In Europe, in spite of the blood which we have shed during two great wars and of the high principles which we enunciated during these wars, no less than nine countries are under the bondage of international communism.

At the present moment the Communists, while talking about their love of peace and their desire to reduce tensions, are trying to take over additional territory in the Middle East and Europe. They threaten their less powerful neighbors in the Middle East with extermination if they persist in cooperating with the free world. The Communists are also attempting to undermine the determination of the peoples of Western Europe with similar threats.

From time to time they even try to frighten the more timid among us by references to inter-continental missiles and other modern weapons, and by boasts of their ability to destroy every section of our country.

Standing Firm Against Communist Pressure

The free world will not, I am convinced, flinch or yield before such threats. The President and the Secretary of State with the backing of the Congress have repeatedly made it clear that the United States will not retreat in the face of force or the threat of force. For us to do so would discourage our friends and allies throughout the world, most of whom have stood firm in resisting terrific Communist pressures.

International communism during the last 40 years has been responsible for the deaths of tens of millions of human beings and for the physical suffering and mental anguish of many times that number. In the face of our firmness, will its leaders continue to pursue policies which lead in the direction of a catastrophic world war? This is a question which only they can answer. In making their decision, however, they would be wise to take into account not only the free world's retaliatory power but the weaknesses in their own Communist empire. For, paradoxically, it is

probably in the historic countries of Eastern Europe that nationalism persists in its purest form, sustaining the hopes of the captive peoples for liberation from the tyranny imposed on them by Moscow.

If the leaders of international communism should decide that the time has come for them to abandon their efforts to communize the world by sowing seeds of hatred, distrust, and envy and by the resort at the appropriate moment to force, the human race would be able to breathe more easily than it has been able to do during the lifetime of most of you before me. Such a decision, however, would not mean that the grave international problems which we are facing will automatically disappear. Hatreds and resentments are much easier to kindle than they are to extinguish. It would require many years of patient effort to restore international confidence and amity. Furthermore, we would still have with us numerous problems resulting from racial, economic, territorial, and political rivalries. Solution of these problems would require wisdom, patience, and restraint.

It is quite possible that the leaders of international communism will follow a course which, while avoiding the outbreak of war, will nevertheless keep the world in a turmoil for many years to come. They may hope that by making effective use of the highly disciplined masses under their control and by continuing to undermine the unity of the free world they can eventually take it over bit by bit without resort to a total war.

If international communism should decide upon such a course, our country must prepare itself to face a long-drawn-out struggle—a struggle likely to take place in a twilight zone between peace and war. In such an eventuality we shall probably be called upon to make even greater sacrifices in order to maintain strong and unbroken the long front of the free nations.

Need for Public Understanding

If our civilization is to survive, if our concepts of right and wrong, which are at the heart of this civilization, are to be preserved, the American people within the framework of their free institutions must willingly and wholeheartedly rally to the support of their country in such a struggle. I am convinced that they will do so, that they will not hesitate to subordinate their more narrow per-

sonal or family interests, and that they will willingly cooperate with one another and with other free peoples in the winning of the struggle.

Regardless of the role of international communism during the years to come, if the American people are to succeed in preserving the free institutions and the civilization which is their heritage, they cannot, in this fast-moving age, rest content with the present achievements. They must tap even vaster reservoirs of knowledge and skill in the fields of science, culture, industry, politics, and so forth. It is particularly important that there be developed among them highly trained leaders possessing integrity, courage, and vision.

To our educational institutions, at all levels, is assigned a leading role in preparing American youth of today for the tasks which lie ahead. Our higher institutions of learning have a particular responsibility for inspiring and training our leaders of the future. Among the members of the graduating class today are potential leaders of the communities in which they will live and work. They realize, I am sure, that the diplomas which they are receiving are no more than attestations that they have learned how systematically to acquire knowledge and otherwise to develop themselves. It is fitting that exercises of this kind should be called commencements since they are in essence ceremonies drawing attention to the fact that the graduates are ready to start to work on whatever career they may have chosen. The learning process for them is not, of course, at an end. It should be of a much more serious and concentrated character in the future.

Our leaders during the years immediately ahead, regardless of whether their leadership is limited to their communities or extends to the State or to the Nation, cannot afford to confine their studies to the development of skills in the profession or the particular business in which they happen to engage. They must also keep themselves informed of developments in those fields which directly or indirectly shape our destiny as free men and which ultimately determine whether human liberty is to survive.

There is one particular field in which I hope all of you will continue to show an interest, regardless of what your career might be; that is, the field of foreign affairs. It is important that the American people keep themselves thoroughly informed regarding the current international situa-

tion, that they understand what the basic problems of our foreign policy are, and that they obtain at least some idea of the problems and aspirations of other free peoples. If, in the international arena, our Government is to make moves rapidly and with assurance, it must be able to rely upon the support and the constructive criticism of a well-informed, understanding American public.

In view of the kaleidoscopic changes which are constantly taking place in the international situation, one cannot keep himself abreast of what is going on throughout the world except by systematic study. Illustrative of these changes is the fact that there are twice as many independent countries today as there were when I was a student. Hundreds of millions of people for the first time in their history are looking to their own governments for the conduct of their national and international affairs. The face of Asia has been transformed. Vast areas of Africa are in the midst of transition toward self-government or independence.

From these shifts in sovereignty flow many international problems, an understanding of which cannot be acquired merely by listening to the radio or reading the daily press, helpful as these media of communication are. Complications develop when a new state takes its place among the family of independent nations. The United States, like other older states, must adjust its foreign policies to encompass the new members and to establish on a different basis its relations to the people they represent. This means a continuous reexamination on our part of the international situation and corresponding readjustments in our policies.

"Change Is the Law of Life"

I am sometimes asked for a precise description of our foreign policies. Such questions, coming from those whom I have been urging to study such policies, are somewhat embarrassing since a brief outline of our long-term policies is likely to seem trite and a detailed description of our current, intermediate, and long-term policies would fill a book or require a whole series of lectures.

Of late I have been advising friends making such inquiries to read a statement made by our beloved former Secretary of State, Mr. Dulles, before the Senate Foreign Relations Committee on June 6 of last year.² It seems to me that any-

² BULLETIN of June 23, 1958, p. 1035.

one who carefully studies this statement should obtain a good idea of our objectives in the foreign field and the methods by which we are seeking to obtain them. Mr. Herter, our new Secretary of State, has made it clear that under his leadership we shall continue to pursue the policies followed by Mr. Dulles.

I have brought from Washington a number of copies of this statement and have presented a copy to each member of the graduating class. Several other copies are also available to those who might be interested. I hope that they will read it and keep it for reference. In my opinion it is one of the great documents of our time.

I shall not in this discussion attempt to quote all of Mr. Dulles' statement, but I would like to read you several excerpts. In the first place, he dwells on the fact that "the peoples of the world universally desire the elimination of war and the establishment of a just peace." Please note the word "just." He emphasizes that "the security of this nation can be maintained only by the spiritual, economic, and military strength of the free world, with this nation a powerful partner committed to this purpose" and adds that "the effectiveness of our collective-security measures depends upon the economic advancement of the less developed parts of the free world, which strengthens their purpose and ability to sustain their independence."

He makes one other observation which brings me back to the general theme of my freshman oration. He points out that "change is the law of life, for nations as well as for men, and that no political, economic, or social system survives unless it proves its continuing worth in the face of ever-changing circumstances."

Before closing I would like to deal with some questions which must be uppermost in your minds. Has man made progress in spite of or as a result of the suffering and hardship he has endured since the year 1914? If so, has the progress been worth the price? It is my belief that, although in certain respects and in limited areas of the world there has been retrogression, man has in general made progress. In fact, he has advanced in some areas at an unprecedented speed, spiritually, socially, culturally, and materially. In general the price, though great, has not been too high. Sometimes, however, it has been excessive in the terms of mental and physical anguish. During certain periods and in certain

areas the price has been out of all proportion to the gains achieved.

Changes, which ultimately should be of benefit to mankind, can in certain circumstances be brought about more speedily and more decisively by appeals to the baser emotions and by resort to tyrannical measures, violence, and bloodshed than by the adoption of methods of persuasion and education. The speed at which changes are thus effected may, however, be more than offset by the physical suffering and moral degradation which accompany them. Even the most noble objectives may be debased by the employment of ignoble methods in the endeavor to achieve them.

The events of the last 45 years support the lessons of history that change and progress are not always synonymous. We have it in our power, however, to help to make them synonymous. We should exert our utmost efforts to the end that changes in our various political, economic, and social systems required by the circumstances of these fast-moving times are brought about by methods worthy of the objective—methods which do not involve a weakening of moral fiber and which entail a minimum amount of hardship and suffering.

I trust that my frankness in discussing the darker as well as the brighter aspects of the situation in which the world finds itself today will not diminish the joy which envelops these graduating exercises. I consider that commencement is an occasion for frankness. It seems to me that it would not be quite fair to those who are bidding farewell to this beautiful campus if I should have failed to dwell upon some of the problems which they will face and some of the responsibilities which they will be called upon to shoulder during the next few years. So much depends upon them and upon the thousands of other young Americans who are members of the class of 1959.

I have found from my experience in dealing with the young men and women entering our Foreign Service that the youth of today are stimulated rather than discouraged when presented with difficult problems. The graver the problem the greater their eagerness to cope with it. My hopes for the future of our country and of our institutions are placed largely upon them. I am confident that they are worthy of being entrusted with the civilization which has come down to us from our forefathers and that eventually they will pass it on enriched and more radiant to those who come after them.

The Role of Private Business in Furthering U.S. Foreign Policy

by Acting Secretary Dillon¹

It is a great honor to be with you today and to participate in your commencement exercises. I congratulate all of you who are sharing so proudly in the academic awards of this great university.

The age in which we live, and which your generation will inherit, has been given many names. In scientific and military terms, it has been characterized as the "nuclear age," the "space age," the "missile age." I prefer to describe it in human terms as an "age of mounting expectations."

I say this because it is an age which offers us a magnificent opportunity to work toward a stable and peaceful world community by helping to raise the living standards of the less privileged peoples of the earth. Their mounting expectations for a better life under freedom present us with our best hope for the future—and with our greatest challenge, as well.

For these same impatient demands for economic growth also provide the leaders of the Sino-Soviet bloc with significant opportunities to advance communism's long-term drive for world domination. If we should fail the newly emerging nations, the Communist leaders are ready, willing, and able to show them a supposedly easy path under totalitarianism. And if their peoples should be lost to freedom, our own security and well-being will eventually evaporate.

I am not unmindful of the menace of Communist military power. I do not discount the crises which confront us in Berlin, in Taiwan, and in the Middle East. But I do not believe that the course of world history will be determined by the unthinkable lunacy of a Soviet-launched atomic

war. Instead, I believe that the future will be shaped by the political, economic, and ideological struggle to which our Western system of free institutions has been challenged by international communism.

The Communists have openly named the economically weak areas of the free world as major targets in their campaign to undermine the West. Their total offensive is therefore aimed at penetrating and capturing the underdeveloped countries of Asia, Africa, the Middle East, and Latin America. Whether or not they succeed will be determined not only by our actions as a Government but also, and to an important extent, by the role played by private enterprise in furthering our country's foreign policy in the underdeveloped world.

That policy, to put it in its simplest terms, is designed to help the peoples of these areas make a genuine start toward realizing their mounting expectations for a better life under free institutions.

These nations are part of the free world. They wish to remain so. But they are the free world's most vulnerable sector. They must never come to feel that their choice lies between bread and freedom. Whether they meet the challenge of growth in freedom or whether they take the Communist road to progress and, in the process, are marshaled against us in hatred and envy, depends in no small part on what we do as a Government and as private citizens. The main burden is on the countries themselves, of course, but it is in our interest as well as theirs that we help to ease and speed the process of growth.

The obstacles in the way of their growth are staggering: There are wide variations, of course, but most of their governments are young, inexperienced, and thinly staffed. There is a shortage of technical, administrative, and organizing skill

¹ Address made at commencement exercises at the Graduate School of Business, Columbia University, New York, N.Y., on June 2 (press release 376 dated May 29).

at every level. Some economies are still almost primitive in character. The energies of government leaders are consumed in the struggle to consolidate political power in order to insure their new-found independence. Racial, religious, and class divisions add to economic and political tensions. Tradition and inertia must also be overcome.

In our efforts to help these peoples make a start toward growth, we in the Department of State are actively seeking to enlist the vast resources and talents of American private enterprise. For the skills of our private citizens, their experience in industry, and their resources of capital are a priceless asset that we must employ to the fullest if we are to make the free world strong and to keep it free. The stakes are so high that we must call upon all sectors of our society. We cannot rely upon Government efforts alone.

Our own economic growth is heavily dependent upon our foreign trade and investment. Think for a moment what it would mean to our own domestic economy should the great newly developing areas fail to accomplish their economic growth under freedom. Should they in desperation try the totalitarian, Communist way to economic growth, it would be a human tragedy beyond compare for their peoples. It would also mean sheer disaster for us, for our free enterprise system, and for the spirit of freedom that goes with it.

How We Can Help Developing Countries

I regard this challenge—the achievement in freedom of higher living standards—as the primary economic and political problem of the 20th century. Fortunately it is a problem in which the interests of our Government and our business community coincide, so that a real opportunity exists for a joint effort. We can help the developing countries in a number of ways:

We can help most importantly by finding new ways to increase our own economic progress. Because of our intimate links with the underdeveloped nations, American economic growth will inevitably react favorably on their development. The benefits of our growth and prosperity are transmitted through normal trade and private capital channels to all nations which participate with us in the free-world multilateral economic

system. Unless we stimulate our own growth while maintaining the basic stability and value of our currency, we shall weaken our ability to provide the leadership which the free world so urgently expects of us. An important element in that leadership is the extent to which, by concrete performance, we are successful in projecting the image of a dynamic, expanding economy under free institutions that can never be overtaken by any other.

We can help by continuing to provide technical assistance in education, in agriculture, in health, in industry, in resource surveys, and in public administration. By sending experts into the field, by establishing training institutes abroad, by fellowships and study tours in American institutions, we can do more than convey skills—we can help to convey attitudes and values as well. Many private organizations are making important contributions in this field, both on their own initiative and in collaboration with the International Cooperation Administration. I hope that more and more private groups will enter this field.

We can help the process of growth by providing capital for the basic public facilities on which development depends: the roads, dams, and harbors, the power grids and communications networks that are essential to a modern economy. The long-established Export-Import Bank and our new Development Loan Fund—and, in the international field, the World Bank—are the public financing agencies for this purpose. But the roads, dams, and power grids the banks can help to finance are not direct instruments of production. They do not produce the food, clothing, and housing required for a more decent living. They are, in effect, anticipatory investments. They make it possible for enterprising individuals to produce an increasing variety of goods and services for the consumer.

It is in this great field of production that the private American businessman can be most effective. The underdeveloped countries need his help to establish new productive facilities and the networks for distribution.

In most of the less developed countries, as in the United States, these activities are essentially private activities. There may be differences among countries in the free world in the degree to which governments participate directly in eco-

conomic activity, but the bulk of production and distribution in the less developed countries is in private hands, or is waiting to be developed by private initiative. Surely, here is a great challenge to American business!

Influence of the Private Investor

Because we in the State Department recognize the contribution private American business can make toward speeding the process of growth in underdeveloped areas, we are constantly seeking to give every proper encouragement to the American private investor to export his capital and his skills. They are both scarce resources in the free world today. By putting his funds and his management talents to work abroad, the American investor not only develops effective enterprises; he also stimulates indigenous business groups by the influence of his example.

This influence cannot be exaggerated. The American who invests his capital and his skills in the underdeveloped areas shows their peoples that the methods of a free economy can outperform totalitarian methods in achieving real progress. Much has been done in this field. But much more remains to be done. For example, while American long-term private foreign investment has reached the impressive total of around \$33½ billion, the flow of private capital has been uneven and has been concentrated largely in Canada, Latin America, and Europe. U.S. direct private investment in Asia, Africa, and the Middle East has averaged only \$100 million annually in recent years. Furthermore, half of this investment has been in petroleum, leaving very little for all other purposes.

We can and must find new ways to promote American private investment in the newly developing areas. Last year we called on distinguished members of the business community to advise us in the Department of State as to how we could help in stimulating private investment. As a result of these studies the administration is now supporting revision of our tax laws to provide special incentives for investment in the less developed areas. We are also in the process of making certain administrative changes to put into practice many of the recommendations of our business advisers designed to increase private participation in our foreign economic programs.²

This Nation's foreign policy objectives are not

just Government objectives. They are truly national objectives in the fullest sense. As such they demand truly national support. I would like to suggest certain steps which might be taken by American business in its efforts to further our foreign policy. I am not asking business to assume responsibilities that are ours in Government. I am convinced that what I ask is in the best interest of the business community itself.

First, become more familiar with those areas where historically our trade and investment are small but where they are most needed today: the newly independent nations of Asia and Africa. Every effort should also be made to expand private business activities in Latin America.

Second, when seeking profitable trade and investment opportunities in these areas, American business should always strive to be particularly sympathetic to their ambitions to achieve economic growth as rapidly as possible. Special efforts must be made to adapt to local situations and to endeavor to work within them.

Finally, in establishing itself abroad, business should give less attention to temporarily unfavorable local attitudes and factors and more to how to live with them and thereby improve them. The most enlightened employment practices of American industry should be utilized in every foreign venture so that a real sense of partnership is created with the people of host countries. Perhaps the best way to help create a favorable "climate" for private investment is to demonstrate locally how private enterprise can improve living standards and contribute to economic growth. Partnership arrangements with local businessmen are especially useful in spreading the gospel of private enterprise. I am glad to see that our business leaders are more and more coming to realize and accept the importance of this principle of local partnership.

And now, just one word of caution: We must recognize that many of the problems of the less developed countries simply cannot be solved by private enterprise alone. While an enlarged flow of United States private investment and skills overseas is vital to the success of our efforts to help speed economic growth, it is only one of

² Copies of a report entitled *Expanding Private Investment for Free World Economic Growth*, prepared under the direction of Ralph I. Straus, may be obtained upon request from the Department of State, Washington 25, D.C.

several tools we must employ. The expansion of private investment abroad should never be made the excuse for attempts to curtail indispensable Government activities, particularly those embodied in our mutual security program. The mutual security program can and should serve to prepare and smooth the way for private enterprise. If we do not maintain our mutual security program at adequate levels until the underdeveloped world begins to achieve a satisfactory rate of growth under free institutions, then our whole system of free enterprise will be endangered.

I congratulate each and every one of you on this auspicious occasion. I hope that many of you will enter international commerce and finance, which prize the knowledge you have acquired at this center of learning. It is my special hope that some of the most talented among you will seek opportunities in the underdeveloped world, where an injection of the ingenuity and dynamism that have always characterized American private enterprise would do so much to further self-sustaining economic growth under freedom. Each of you has it within his power to make a great and constructive contribution to the cause of freedom. You have made a long head start toward a life of service and accomplishment. Live it well!

Prince Albert Radar Laboratory Opens in Canada

Following is a White House announcement regarding the opening of the Prince Albert Radar Laboratory at Prince Albert, Saskatchewan, Canada, together with the text of a message of President Eisenhower to Prime Minister John G. Diefenbaker and the Canadian people and the remarks made by the Prime Minister at the opening ceremonies in response to the President's message.

WHITE HOUSE ANNOUNCEMENT

White House press release dated June 6

The Prince Albert Radar Laboratory, officially opened on June 6 by the Prime Minister of Canada, at Prince Albert, Saskatchewan, is sponsored jointly by the Defence Research Board of

Canada and the U.S. Air Force. This new facility is to be used for investigations of the factors influencing the radar detection of aircraft and missiles entering the auroral zone.

The Prince Albert Laboratory will be an extension of the research collaboration that has existed between the Canadian Defence Research Board and the U.S. Air Force during the past few years relative to continental ballistic missile defense. Scientists from the Defence Research Telecommunications Establishment in Ottawa and the Lincoln Laboratory of the Massachusetts Institute of Technology will collaborate on the coordinated research program.

The Canadian site was chosen because it was considered the best geophysical location for the studies of the aurora borealis and its effect on radar detection of aircraft and missiles.

PRESIDENT'S MESSAGE AND RESPONSE BY CANADIAN PRIME MINISTER

White House press release dated June 6

President Eisenhower¹

I am delighted to greet you, Mr. Prime Minister, and the Canadian people on the occasion of the opening of the Prince Albert Radar Laboratory. The completion of this Laboratory constitutes another major advance along the road of cooperative ventures between our two countries in defense research and other fields. The transmission of this message by way of the moon—a distance of almost half a million miles—emphasizes the technical importance of your new laboratory and is a specific illustration of the scientific cooperation between Canada and the United States. The work of this Laboratory cannot fail to make a significant contribution, in future years, toward the solving of mutual problems.

Prime Minister Diefenbaker

It is with great pleasure, Mr. President, that I acknowledge your unique and historical greeting to the Canadian people on this occasion. The

¹The message was recorded on tape and transmitted via the moon from the Millstone Hill Radar Observatory of the Massachusetts Institute of Technology Lincoln Laboratory to the Prince Albert Radar Laboratory.

opening of the Prince Albert Radar Laboratory is a significant milestone in our mutual cooperation in the defense sciences.

Indeed the survival of the free world in the years ahead may depend in considerable measure on the success attained by the United States and Canada in planning together and assuring the joint defense of this vital continental bastion of freedom.

The spirit of your message and the warmth of the friendship which it conveys will be welcomed by all Canadians. I express the appreciation of the people of Canada to you for your leadership in the cause of freedom, and to the people of the United States for the cooperation, trust, and understanding which have been the hallmarks of the partnership of Canada and the United States in peace and war for many years.

Australia and the United States: The Development of Our Common Interest in the Pacific

by J. Graham Parsons

Deputy Assistant Secretary for Far Eastern Affairs¹

I am particularly happy to be invited to attend the council's Australia Day luncheon, and my particular reason is that last month I visited Australia for the first time. To my regret I missed Victoria and Melbourne altogether and merely circled over the beautiful harbor of Sydney. But I did spend 5 hours in Canberra, a visit which of course fully qualifies me as an expert in things Australian. More seriously, it was to me the greatest disappointment in an otherwise fabulous trip to 13 countries of the Pacific area that I could not, because of the rigors of attending in quick succession conferences at Wellington and Baguio, spend a more reasonable time confirming the immediately favorable impressions I received of the warmth of Australian hospitality and of the vitality, determination, and vision of its people.

Five hours was, however, long enough to confirm one impression. While in Canberra I heard the area long known as the Far East denominated as the "Near North." This was of somewhat striking interest because I have heard Americans refer to the Far East as the "Near West." Indeed Premier [Henry Edward] Bolte [of Victoria] has

today reminded us in effect that Australia is on our western frontier, as are the lands to the north on around the rim of the Pacific.

This new Australian and American accuracy with regard to the geographic facts of life is indicative of the enormous interest and fateful significance for us both of the Asian land and island masses which lie in ever more demanding proximity to us both. Many other common ties draw us together: our heritage derived initially from the greatness of Britain but leavened by new Australians and new Americans from many lands, our mutual experience of opening a whole continent to our people, our fidelity to the principles of individual initiative and of private enterprise tempered by a strong sense of civic and social responsibility. But the tie which today binds us most closely of all, perhaps, is our common interest in developments in south and east Asia.

It is this fact which emboldens me to dwell today on impressions gained during my just completed trip through that part of the world. You will, I hope, pardon me if I pay tribute in passing to the excellence of Australian official representation in the area and to the close and cooperative relationship which our two countries' representatives maintain. This choice of especially well qualified diplomats is obvious to all of us who

¹ Address made before the Far East-America Council of Commerce and Industry, Inc., at New York, N.Y., on May 19 (press release 341).

have come in contact with them. It is also indicative of the importance to Australia of the "Near North."

Record of Chinese Communists

How then does this area appear today, revisited after an absence of 15 months?² First of all, I would say that the free nations of south and east Asia, occupying as they do severely separate peninsula and island areas, have been given good reason to be preoccupied by the regime which exploits the central landmass and huge populations of China. This regime has compiled a record over the past 12 months which confirms earlier analysis outside the area as to its uncompromisingly aggressive nature. This record is now convincing others within the area of this truth, others who had previously hoped that the analysis was overdrawn, that flexibility on our side would soften rigidity on the Communist side, and that friendliness would deflect the tough conspiracy of Communist imperialism. The record of the past 12 months is in the minds of government leaders and aware people throughout these lands. It includes four major events:

1. The intervention in Japan's 1958 election campaign through severance of all economic ties with the object of defeating a Government devoted to trade and friendly relations with the West. This was followed in Southeast Asia by other demonstrations that trade is deemed of value primarily as an instrument to gain political objectives.

2. The resort to the use of force in the Taiwan Strait accompanied by repeated strident statements of two objectives: the liquidation of Taiwan and the departure of the United States from the Western Pacific.

3. The organization of the communes to put a whole subject people in preventive custody and to mobilize their physical and divert their mental energies for all-intensive service to the regime. This is perhaps the most fearful, immense, and utterly total denial of the human spirit in recorded history.

4. The ruthless suppression of the often-guaranteed political, cultural, and religious autonomy of the Tibetan people. Now Asian Com-

munist have demonstrated that their objectives are indistinguishable from those of their Soviet mentors and that they include the suppression of all individuality and of the national personality of peoples within their grasp. There could be no clearer proof that the Communist imperialists are not the friends but rather the unyielding foes of Asian nationalism.

Byproducts of U.S. Action in Taiwan Strait

It is, of course, a fact that no free nation of the Far East wants Communist solutions and has not wanted them. To suggest otherwise would be invidious. However, a further impression which I have received on this trip is that Asian peoples have come to see more clearly, and in some cases to acknowledge more boldly, the direct relationship between American policies and their freedom to reject Communist solutions.

The United States' prompt support of its ally, the Republic of China, in the Taiwan Strait crisis had in the Far East—or, as I should say, in the Near West—a critically important effect. It dramatized the relationship between the American presence in the Western Pacific and the preservation of their own new-found independence. The fact that the United States stood firm in a most difficult and controversial type of situation had an immediate impact on all of the exposed and peripheral countries of the area. Each of them dreaded the threat of war, as indeed we did too. But each of them dreaded even more that the United States might give way. Instead they saw with gratification that the United States lived up to its commitments, that it could and did move promptly to defend against aggression. This, I believe, has instilled greater confidence that, if need be, the protective shield would serve them too in turn.

In passing I should like to note another by-product of this event. Our Asian friends have learned that the policy of this country with respect to China is not a separate and curious aspect of our current role in world affairs. They are, I am convinced, aware today that our China policy is an integral part not only of our Far Eastern policy but of our global policy against the use of force to diminish the areas of freedom in the world. They see that this policy would have been seriously compromised, that the main anchor would have been loosed, had we not stood firm.

² Mr. Parsons was Ambassador to Laos, 1956-58.

Indeed it is not too much to say that whether we like it or not—and I dare say we all wish it were not so—there is no other quarter of the globe where things are so held together by the presence of the United States as in the Far East.

U.S. Policy in Far East Not Static

A distinguished American authority on Soviet affairs was reported the other day as having joined his voice with those who criticize our China policy as being static and as being dedicated to serving the *status quo*. I might add that this authority appeared concerned that our present policy in Europe might result in the abandonment of East European peoples to Communist slavery but did not seem similarly concerned about the abandonment of 650 million Chinese people to Communist slavery.

I fully agree that our policies must not forget our fellow human beings in Eastern Europe, but I submit that our policies must likewise not forget our fellow human beings under Communist rule in Asia. This is one world, where our objectives are the same.

A *status quo* policy in Asia would accept as an irredeemable fact that the Communists are in enduring control of mainland China. Logically, such a *status quo* policy would be directed toward the perpetuation and formalization of two Chinas: one on the mainland and one on Taiwan.

We do not accept such a *status quo* policy, and I might add that the Chinese do not accept it either—neither the free Chinese Government on Taiwan nor the Communist regime in Peiping. We do not accept it because we believe that the free Chinese Government on Taiwan stands for the traditions and values of China and that it offers hope for countless millions of Chinese people now enslaved behind the Bamboo Curtain. Chinese reactions to recent events in China, including the utterly repressive commune system, show that the Chinese people do not accept the *status quo* except insofar as it is ruthlessly and bloodily imposed upon them.

The Chinese Communists do not accept the *status quo* in the Far East for entirely different reasons. They reject it because their demonstrated and avowed aim is to liquidate free China and to force the withdrawal of American power from the Far East. Once that is done, they consider that the exposed countries of free Asia will

feel compelled to accommodate to Peiping's imperialistic demands.

In short, our China policy—which is an integral part of our broader policies in Asia—is not a *status quo* or static policy. It is our critics who advocate, perhaps unwittingly, the formalization of a *status quo* situation intolerable to the Chinese people themselves and inimical to Asians generally. We also reject the *status quo* in this sense: We believe that our policies and programs must be based on the fact that our world is ever a changing world. Free Asia no longer accepts backwardness and servitude as inevitable conditions of life. It demands something better.

We recognize, as Secretary Dulles often stated, that every nation should be a developing nation, that any society which is stagnant is backward, and that all peoples need to feel that they are part of a dynamic society moving forward creatively. It is our policy to support the objectives of all Asian peoples for independence, for social advancement, and for better conditions of life because we know it is clearly in our own interest to do so. Much has been done and is being done by our Government in fulfillment of that policy.

Japan's Contributions to Asian Development

In this connection it is heartening to see the significant constructive contribution which the new and revitalized Japan is making toward the economic development of Southeast Asia as well as other parts of Asia. At present Japan has reparations agreements, development projects, and technical assistance programs totaling some \$2 billion in value. Over a period of years these bilateral agreements will help to quicken the economic life of the recipient countries and thus contribute to their stability and strength.

The recovery of Japan is impressive indeed; it is evident that this recovery has also impressed the Communist bloc, which has made repeated efforts to intervene or to force changes in Japan's friendly and constructive policies toward the free world, where trade and investments are for mutual advantage and not, as in the Communist world, for the attainment of ulterior political objectives.

Growing Strength of Free Asia

On this trip just concluded I gained the impression that there has indeed been progress as

well as change in all the 11 countries I visited to the north of Australia. With each year that passes the countries of the area gather momentum, gaining experience in local and in international affairs, developing their institutions in accordance with their own individuality, and exploiting their resources with growing technical and managerial skills which they largely lacked in the colonial period. This progress is, of course, in our common interest too, as it means the consolidation of freedom in the area.

With each year that passes, the growing strength of Asian nationalism becomes a surer guarantee that Communist solutions will not voluntarily be accepted. Furthermore, as the memories of past colonialism recede and as Communist imperialism persists, there will, I believe, be a broadening and deepening among Asian peoples of the consciousness, already evident among their leaders, as to where the danger to their freedom lies. This, of course, poses a challenge, particularly to those of us who are their neighbors on the rim of the Pacific. Never again can we, as we on this side once thought, afford to isolate ourselves from events on the western rim of the Pacific.

There we do indeed have friends, both of us, and it is my observation that there is a growing warmth in our relationship as a whole. I thought also, as I sought to appraise American relationships in this area, that there is generally a growing confidence that the United States respects the positions of each of these Asian countries, a growing recognition that it is not seeking to force them into situations not of their choosing and that it stands genuinely for an improvement in regional relations and cooperation among these countries. This last is important in an era when the Communists so often demonstrate an interest in producing frictions and in the disintegration of friendly relationships.

Nevertheless, this world continues to live under precarious conditions for all the improvement I have noted. We Americans cannot afford to be complacent or merely defend the *status quo*. We must instead continue to exert ourselves and continue to contribute, and with growing effectiveness, to the favorable development of these countries whose future, like that of other free areas of the world, is bound up with our own security. In so doing I would hope that we will appear, as

indeed we are, genuinely interested in the welfare of their peoples and not merely preoccupied with the task of stemming Communist imperialism, vital as this task is for us all. As President Eisenhower has said,³

We could be the wealthiest and the most mighty Nation and still lose the battle of the world if we do not help our world neighbors protect their freedom and advance their social and economic progress.

I know that our Australian friends will not dissent from this view, and I know that they will continue steadfastly to do their share in promoting in the broadest sense our common interest in the area. We have come through difficult days. There is every reason to expect further progress if we continue to face up to the challenge of our times with firmness and confidence as, I am convinced, we surely will do.

Letters of Credence

Thailand

The newly appointed Ambassador of Thailand, Visutr Arthayukti, presented his credentials to President Eisenhower on June 1. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 379.

U.S. Deplores Action of Olympic Committee

Department Statement

Press release 383 dated June 2

The decision of the International Olympic Committee to expel the athletes from the Republic of China is a clear act of political discrimination.

Prior to 1958, athletes from the Republic of China and from the Chinese Communist regime participated in the IOC in accordance with its principle of political nondiscrimination. In 1958 the Chinese Communists, having previously withdrawn from the Australian games, withdrew also from the IOC because they decided they would no longer participate in organizations which permit participation by free Chinese.

It is evident that Communist pressures have

³ BULLETIN of Mar. 30, 1959, p. 427.

been directed to obtaining the expulsion of the Chinese Nationalists. We can assume this is a prelude to pressures directed to obtain the later readmission of the Chinese Communists. This is a political and discriminatory attitude which has no place in the world of sports.

Even more is involved in the IOC decision than a manifest injustice to a member which has throughout staunchly supported Olympic precepts. The maintenance of the respected character of the Olympic games is also at stake. It is their nonpolitical character which has been the basis for the special attitude toward the games of both peoples and governments.

We trust that the public and sports organizations, both here and abroad, will recognize the Communist threats for what they are and will insist on restoring both the athletes from the Republic of China and the Olympic principles to their deserved positions.

Indian Research Materials Arrive Under Wheat Exchange Program

The Department of State announced on June 4 (press release 392) the arrival of the first shipments of research materials on India available to American higher education, which will be enriched at the rate of 1,000 publications a month for the next 5 years under a cultural exchange program financed by the interest payments India has made on the 1951 U.S. wheat loan. Arrangements for the purchase of the research materials were made in India by Jennings Wood, chief of the Exchange and Gift Division of the Library of Congress, on behalf of the International Educational Exchange Service of the Department of State, which administers the India wheat exchange program with the cooperation of the U.S. Information Agency.

The use of the first \$5 million in interest paid to the United States by India on the wheat loan for cultural exchange purposes was authorized by Public Law 48, 82d Congress. In addition to the purchase of Indian research materials, the act also authorized a program to procure American research materials and equipment for use in Indian libraries and laboratories and an exchange-of-persons program, both of which have been in operation for several years.

The materials, all official publications of the Central and State Governments of India, will include works in the fields of bibliography and the social and physical sciences, as well as general Government publications. They will be housed at the Midwest Interlibrary Center at Chicago, the University of Pennsylvania at Philadelphia, and the University of California at Berkeley, where the many universities and research institutions served by the three centers will be able to obtain the publications through interlibrary loans.

Citizen Advisory Committee Named for Exhibition at Moscow

The White House announced on May 21, with the approval of the President, the appointment of 51 distinguished leaders in the fields of industry, science, education, and the arts to serve as a citizen advisory committee for the American National Exhibition to be held at Moscow this summer.¹

The Exhibition will be held in accordance with an agreement signed September 10, 1958, between the United States and the Soviet Union which provides, reciprocally, for exhibits to be held in Moscow and New York during the summer of 1959 "devoted to the demonstration of the development of science, technology, and culture."²

U.S. Diplomats in Africa Hold Regional Conference

The Department of State announced on June 4 (press release 390) that Assistant Secretary for African Affairs Joseph C. Satterthwaite had left Washington that day for a regional conference of principal American diplomatic and consular officers to be held at Lourenço Marques, Mozambique, June 9-11. Mr. Satterthwaite, who will preside at the conference, was accompanied by Waldemar J. Gallman, Director General of the

¹ For names and addresses of the members of the advisory committee, see White House press release dated May 21.

² For text, see BULLETIN of Oct. 13, 1958, p. 577; for text of an agreement of Dec. 29, 1958, relating to the exchange of exhibitions, see *ibid.*, Jan. 26, 1959, p. 132.

Foreign Service, and C. Vaughan Ferguson, Jr., Director of the Office of Middle and Southern African Affairs.

Several ambassadors, consuls general, and consuls from American Foreign Service posts in East, Central, and South Africa will participate in the meeting, which will be similar in nature to those held from time to time in various parts of the world. Representatives of some other departments and agencies of the U.S. Government will also attend the conference, as well as officers from the American Embassies at London, Brussels, and Lisbon.

President of Guinea To Visit U.S.

White House press release dated June 4

The President announced on June 4 that President Sekou Touré of the Republic of Guinea has accepted his invitation to visit the United States officially. President Touré will arrive at Washington on October 26 for a 3-day visit which will include meetings with President Eisenhower and other high officials of the U.S. Government. President Touré will stay at the President's Guest House.

Following his Washington visit, President Touré will visit other parts of the United States.

Contracting Parties to GATT Conclude 14th Session

The 14th session of the Contracting Parties to the General Agreement on Tariffs and Trade met at Geneva May 11-30. Following is a report by the U.S. delegation, together with an announcement released by the GATT secretariat at Geneva on May 25 concerning a round of tariff negotiations to begin in September 1960.

REPORT OF U.S. DELEGATION¹

Press release 380 dated June 1

The 14th session of the Contracting Parties to the General Agreement on Tariffs and Trade

¹For an announcement of the U.S. delegation, see BULLETIN of May 25, 1959, p. 765.

(GATT), which closed May 30, made important advances toward reducing barriers to world trade.

As was announced on May 25 the Contracting Parties decided at this session to convene a tariff conference commencing in September 1960. The scope of this conference will cover four categories of negotiations:

1. Negotiations among Contracting Parties for new concessions, as proposed by the representative of the United States at the 13th session;²
2. Renegotiations with member states of the European Economic Community, pursuant to article XXIV: 6;
3. Any renegotiations of concessions in the existing schedules which governments intend to undertake before the end of the current 3-year period of firm validity;
4. Negotiations with countries wishing to accede to the GATT.

Other major work of this session dealt with the removal of governmental restrictions other than tariffs. Such restrictions, largely quantitative controls over imports, have been a major obstacle to world trade in the postwar period.

A highlight of the session was the decision reached on the important question of German import restrictions. Two years ago it was determined that Germany was no longer in balance-of-payments difficulties and, consequently, was no longer entitled under the General Agreement to restrict its imports on that ground. Since that time the GATT has provided a mechanism through which a solution acceptable both to Germany and her trading partners has been sought.

Under the terms of the decision, Germany has agreed to remove all nontariff restrictions on a wide variety of goods. Detailed information on this subject will be available in the near future. Some of these goods will be freed from controls as of July 1 of this year; other moves will be taken in stages during the 3-year period of the decision. For the goods still subject to licensing, mainly those covered by the agricultural marketing laws, Germany will endeavor to increase the opportunities for the sale of imports without regard to country of origin.

The decision represents desirable progress in

²For a report on the proceedings at the 13th session, see *ibid.*, Dec. 8, 1958, p. 930; for a statement by Under Secretary Dillon, see *ibid.*, Nov. 10, 1958, p. 742.

eliminating government restrictions to trade. It will permit German consumers to purchase in the cheapest markets at home and abroad. But, in permitting this to be done gradually, the decision also recognizes that Germany needs time in which to terminate all the restrictions which have been applied since the war.

The 14th session was the first meeting of the Contracting Parties since the convertibility measures taken by certain countries at the end of last year. The U.S. delegation took this occasion to express its views on the significance of convertibility in the field of trade policy. In a comprehensive statement the U.S. delegation pointed out that the broad establishment of external convertibility generally removed the substantive distinction that had existed for two decades between the currencies of dollar countries and the currencies of others.

The chairman of the U.S. delegation stated that "the convertibility measures have created a new setting for commercial policy. As inconvertibility has given way to convertibility, so discrimination and bilateralism should now give way to nondiscrimination and multilateralism." He emphasized that "all countries, whether or not their currencies have been made convertible, are affected by the new convertibility situation: some because payments in their own currency are on a convertible basis; others because their foreign exchange income and payments are made in the form of the convertible currencies of other countries."

The U.S. statement discussed the interests of the United States in the removal of discriminatory restrictions against its exports; it discussed also the interests of other countries in the removal of discrimination and in the general relaxation of governmental controls. There was a generally favorable response to the U.S. statement. It was discussed in the plenary session, as well as in the various working parties. Shortly before the end of the session the United Kingdom, which had consulted on its balance-of-payments restrictions, announced another major move in removing discriminatory restrictions against dollar goods.³ The wide range of consumer goods and foodstuffs covered by these liberalization measures will bring the treatment accorded U.S. imports sub-

stantially closer to the degree of freedom enjoyed by European exports in the British market.

Another major accomplishment of the 14th session was the association of two additional countries with the Contracting Parties. The steady accretion of countries participating in the GATT is a sign of its vitality and usefulness. Israel's provisional accession was approved with full accession to take place upon the successful completion of tariff negotiations between Israel and the Contracting Parties in the course of the general round of tariff negotiations set for 1960. Limited participation by Yugoslavia in the GATT was also approved by the Contracting Parties. In addition Poland's application for association with the Contracting Parties was received and will be given careful study by a working party.

In addition to these major problems a large number of other important subjects were treated at the session. The Contracting Parties adopted a recommendation recognizing the desirability of avoiding restrictions on the purchase of transport insurance. Recommendations on antidumping matters, subsidies, and state-trading were considered and accepted. Requests of countries to alter their tariffs were heard and after careful consideration were approved with provisions limiting the adverse effects on other countries. Advances were made in the work of committees established during the last session to study ways of expanding trade in agricultural commodities and to consider other measures for the expansion of trade of the less developed countries. A number of complaints by governments against specific actions taken by other governments were considered and most were settled amicably.

The Contracting Parties also heard reports on the consultations held with the EEC regarding trade problems which might arise from the operation of the Rome Treaty. While restating support for the successful development of the Community, the U.S. representative strongly protested the proposed common external duty of 30 percent, ad valorem, on tobacco as being too high.

The chairman of the U.S. delegation was W. T. M. Beale, Deputy Assistant Secretary for Economic Affairs, Department of State. Bradley Fisk, Deputy Assistant Secretary for International Affairs, Department of Commerce, was the vice chairman. Alfred Reifman of the Office of International Trade, Department of State, was

³ *Ibid.*, June 15, 1959, p. 882.

alternate vice chairman. Other members of the U.S. delegation were from the Departments of State, Treasury, Defense, Interior, Agriculture, Commerce, and Labor and the White House.

ANNOUNCEMENT OF NEGOTIATIONS

Press release 359 dated May 25

At the Thirteenth Session in November 1958 the Contracting Parties to the General Agreement on Tariffs and Trade established a coordinated program of action directed towards the further expansion of international trade and established three committees to carry out the program. The first of these committees (Committee I) had the task of examining the possibility of arranging for a further general round of multilateral tariff negotiations within the framework of the GATT. Earlier in the Thirteenth Session the United States delegate had stated that the United States was prepared to participate in a further general round of tariff negotiations including tariff negotiations with the European Economic Community.

Committee I met in February and again in May 1959 and has made recommendations on the basis of which the Contracting Parties have decided to convene a tariff conference, commencing in September 1960. The scope of this conference will cover four categories of negotiations:

(1) Negotiations among contracting parties for new concessions, as proposed by the representative of the United States at the Thirteenth Session;

(2) Re-negotiations with member states of the European Economic Community, pursuant to Article XXIV:6;

(3) Any re-negotiations of concessions in the existing schedules which governments intend to undertake before the end of the current three year period of firm validity;

(4) Negotiations with countries wishing to accede to the GATT.

The Contracting Parties have decided that the conference shall be held in two phases. The first phase, up to the end of 1960, will be concerned with re-negotiations with the European Economic Community, and with any re-negotiations of existing concessions (items (2) and (3) above). The second phase, opening at the beginning of January 1961, will be concerned with negotiations for

new concessions and negotiations with countries wishing to accede to GATT.

The Contracting Parties have also decided to set up, at the appropriate time, and in accordance with past practice, a tariff negotiations committee to follow the course of the negotiations and review their progress from time to time.

In determining the time table outlined above, Committee I took into account the fact that the powers of the President of the United States enabling that country to participate in tariff negotiations (under the Trade Agreements Extension Act of 1958) will expire on 30 June 1962. The Committee also noted that, in accordance with the provisions of the Rome Treaty, the members of the European Economic Community will start adapting their tariffs to the new common tariff on 1 January 1962, which makes it desirable that the re-negotiations contemplated in Article XXIV:6 and, for that matter, the negotiations conducted by the European Economic Community for new concessions, be concluded before that date.

Bailey Bridge Sent to Uruguay in Flood Relief Program

Press release 361 dated May 26

The Department of State announced on May 26 that the United States is sending a Bailey bridge to Uruguay to replace the vital railroad bridge over the Queguay River north of Paysandú, Uruguay, which was washed out by recent floods in that country. The 660-foot structure, valued at \$122,000, is being made available on a grant basis by the International Cooperation Administration as a further measure by the United States to provide emergency flood relief to Uruguay.

The Bailey bridge will be used for approximately 1½ years while a permanent bridge over the Queguay River is being reconstructed. The temporary installation will reopen the only rail line to the hardest hit northwest area of Uruguay, which contains the cities of Salto, Bella Union, and Artigas, as well as important agricultural lands.

To assist in the erection of the Bailey bridge structure the U.S. Army has agreed that it will send, if desired, a four-man team of U.S. Army

engineers for a period of 4 to 6 weeks. It is expected that the bridge will be shipped from the Port of New York on the Uruguayan ship *Punta del Este* about June 1.

Previous emergency flood relief measures by the U.S. Government included sending to Montevideo the Navy icebreaker, the U.S.S. *Edisto*, whose helicopters performed valuable rescue operations, the shipment of emergency supplies of medicines and rations, and the provision of surplus milk and rice under title II of Public Law 480.

Development Loans

Ethiopia

The Department of State announced on June 5 that the Development Loan Fund had approved a loan of up to \$500,000 to help the Sviluppo Agricolo Industriale Dell'Eritrea (SAIDE), an Ethiopian firm, to establish a weaving mill near Asmara. For details, see Department of State press release 394 dated June 5.

Guatemala

The Department of State on June 3 announced the signing of an agreement at Washington, D.C., on that date whereby the Development Loan Fund will lend Productos de Kenaf (PROKESA), a private corporation in Guatemala, \$400,000 to assist in establishing a factory at Escuintla in southern Guatemala to manufacture bags out of kenaf, a soft-base fiber similar to jute. For details, see Department of State press release 386 dated June 3.

Haiti

The United States and Haiti signed an agreement at Washington, D.C., on May 28 whereby the Development Loan Fund will lend \$4.3 million to complete an 80,000-acre irrigation project in the Artibonite Valley of Haiti. For details, see Department of State press release 371 dated May 28.

Jordan

The Department of State announced on June 5 the signing of an agreement at Washington, D.C., on that date by which the Development Loan Fund will lend the Transjordan Electric Power Co. \$1.2 million to expand and renovate its electric power system at Amman, Jordan. For details, see Department of State press release 396 dated June 5.

Korea

The United States and the Republic of Korea signed an agreement at Washington, D.C., on May 26 whereby the Development Loan Fund will lend \$1.5 million to the Korea Electric Power Co. for engineering and design work in connection with a proposed hydroelectric project at Chung Ju, Korea. For details, see Department of State press release 365 dated May 26.

Spain

The Department of State on June 4 announced the signing at Madrid on that date of two loan agreements by which the Development Loan Fund will lend a total of \$22,600,000 to agencies of the Spanish Government for developmental projects. One loan provides \$7.7 million to the Instituto Nacional de Colonizacion (INC) for the purchase of earthmoving and related equipment for a land development project in northeastern Spain near Zaragoza. The other provides \$14.9 million to the Red Nacional de los Ferrocarriles Españoles (RENFE) to help improve four important railway lines. For details, see Department of State press release 393 dated June 4.

Tunisia

The United States and the Government of Tunisia signed an agreement at Washington, D.C., on May 27 whereby the U.S. Development Loan Fund will lend the Tunisian National Railways \$2.4 million to help purchase diesel-powered and trailer passenger coaches and maintenance-shop equipment. For details, see Department of State press release 368 dated May 27.

The News Division of the Department of State

by Lincoln White

The State Department is essentially the research arm of the President in making recommendations for his consideration of policies designed to serve the best interests of the United States in its foreign relations and in suggesting practical programs to implement these policies—in short, programs of action to achieve our international objectives.

Obviously the value of these recommendations will depend greatly upon the capability of the personnel all down the line who are involved in their formulation. But even if the State Department were populated by the best brains ever assembled under one roof and their policy recommendations and implementing programs were the most brilliant ever set to paper, they would be of little use unless we make certain that two very important things happen:

1. that these policies, the need for them, their objectives, and their consequences, are understood by the American people generally, and
2. that such understanding leads to acceptance and support of our policies by the American people and thus by the Congress.

It need hardly be stressed that such support is vital, for virtually every policy decision must be implemented through programs calling for the expenditure of funds or authorizations by the Congress to take specific actions.

Reaching the Public

How then does the Department achieve this understanding on the part of the American people and, through understanding, earn their support?

Obviously there are not enough people in the State Department or the White House to go everywhere throughout the country explaining what

these policies are and how they must be implemented.

Officials of the Department and the White House do indeed go about the country to some extent to meet with various groups for this specific purpose. And to this same end the Department regularly publishes a number of pamphlets, periodicals, and other documents which cover a wide range of information concerning our foreign policy.

Nevertheless it must be recognized that, although our speakers may be influential locally and our publications may have a ready audience, the total information effort is relatively small when compared with the massive job to be done—to get the story to the great mass of the American people.

Without question the media of press, radio, TV, and the news photographic agencies are the best means of reaching the widest possible number of people.

It has been the policy of each Secretary of State under whom I have been honored to serve, going back to Cordell Hull, that, not only are the American people entitled to know the facts—within the limits of essential and legitimate security requirements—but it is essential that they have an understanding of the alternatives that face this Nation in the continuing struggle between those who would be free and those who seek to enslave. They

• "Linc" White has been a press officer in the Department of State since 1939, serving under seven Secretaries of State. He has been Chief of the News Division since July 1957.

must know and understand these alternatives if they are to make sound judgments in supporting Government objectives and the sacrifice in taxes, or, if need be, in life itself, that these decisions might entail.

For there is not only a right to know—there is an obligation on the part of the good citizen to seek out the facts upon which to make sound judgments.

Basic Task of the News Division

The News Division operates, therefore, on the philosophy that the sole justification for its existence is the help it provides the reporter in every way it can:

1. to know what the Department is doing,
2. to know why it is doing it, and
3. to know why it is not doing something else—that is, why a particular course of action has been selected over some alternative course.

Let me make clear that we do *not* regard ourselves as salesmen of any product other than the facts. Our job is to make the facts available, to the best of our ability, in order that the reporter may objectively interpret for himself what we are doing and why we are doing it, whether he agrees with us or not.

That is the philosophy of our job.

Now how do we go about doing that job?

Anticipating Questions

The most productive source of news at the Department is the weekly news conference of the Secretary of State. This conference, when the Secretary is in town, is held on Tuesday morning at 11 o'clock.

No man, however brilliant or farseeing, can keep in his mind all the details of all the myriad developments throughout the world with which the Department is concerned. That is asking too much of any man. But each Secretary of State wants to be as responsive and as helpful as he possibly can in answering reporters' questions—whatever the subject.

What we do, therefore, the first thing each Monday morning is to attempt to put ourselves in the reporter's place and to anticipate what questions are going to be asked of the Secretary next morning. We don't want to burden him with

trivialities. But we have to look for the "sleepers"—questions dealing with limited or highly specialized aspects of policy which might be prompted by press interest in some last-minute development.

We draw up, therefore, a list of some 15 to 20 questions we think may be asked by the reporters. We graduate these in relative importance—3 to 5 major topics, depending on developments, and 10 to 15 of secondary interest, on a geographical or functional basis.

For example, in April a major topic was the Paris meeting of the Foreign Ministers to put the finishing touches on the Western proposals and strategy to be adopted for the subsequent Geneva meeting in May.

An example of another subject of great importance and of considerable interest in April might be the positions the United States was to put forward at the meeting of the Committee of 21 at Buenos Aires on April 27 to carry forward the work that had been going on in the Organization of American States here in Washington over the past few months in developing new measures designed to contribute to strengthening economic development in the American Republics.¹

Briefing Papers

The questions are then passed on to the geographic and functional areas of the Department for recommendations or briefing papers for the Secretary. Our instructions are that these be as clear, as simple, and as concise as they can be made.

On the anticipated "sleepers" we ask that, in addition to the basic policy facts, the full background of the development be set forth on an accompanying sheet. The reason for this is that the Secretary, preoccupied as he is with the major policy matters, may need more briefing on matters with which he has not been personally concerned—for example, some trade development, which is just as important to the trade-paper reporter as a Foreign Ministers meeting is to the correspondent reporting on foreign affairs.

These requested briefing papers come to my office at about 6 or 7 p.m. on Monday. They are

¹For a statement made by Assistant Secretary Mann at the Buenos Aires meeting, see p. 931.



"Linc" White, Chief of the News Division, holds his noon briefing for news correspondents.

put in a briefing book and taken up to the Secretary before he leaves the office. If he does not have to attend some official social function that evening, he studies these papers at home and decides how he will reply to the questions at the news conference in the morning.

There may be some particular subject that he will wish to speak to without waiting for questions. He generally sketches out such a statement at home and works on it further at the office next morning.

The Secretary's News Conference

At 10 a.m. on Tuesday I accompany the Assistant Secretary for Public Affairs, Andrew Berding, to the Secretary's office, where we spend an hour with him discussing overnight develop-

ments. The Secretary, in turn, may wish some additional information on this or that subject. He generally calls in several Assistant Secretaries and discusses with them treatment of subjects which may be particularly delicate in a given area.

Then at 11 a.m. he goes down to the auditorium on the second floor of the State Department and the news conference begins.

There are some 1,400 reporters in Washington covering for U.S. and foreign wire services, newspapers, networks, and news magazines. Obviously not all of these closely follow foreign affairs, but about 100-150 regularly attend the Secretary's news conferences.

The questions they pose are global and cover a wide variety of topics.

The news conference generally lasts about 40

minutes. It is filmed by the TV networks and tape-recorded for radio.

The Transcript

The ground rules of the Secretary's news conference are that, while no holds are barred in questioning, the Secretary may not be quoted directly until the official transcript has been released.

It is important, therefore, that the transcript be released as soon as possible. Until then the afternoon papers and the wire services carry what the Secretary says in the third person. In other words, they report the substance of what the Secretary said but may not quote him directly.

In order to speed the release of the transcript it is generally taken down by four stenotypists who are experienced in this work. The first leaves after 10 minutes, the second after 20, and so on. In addition, the conference is tape-recorded to insure the accuracy of the transcript.

By the time the conference is over, the Secretary has on his desk the first "takes." We feed these page by page to him as rapidly as they come out of the typewriters.

Since all of us have human frailties, mistakes are bound to be made—typographical mistakes, the recollection of the Secretary of the precise date of a given conference, the precise wording of a given agreement or communique. Therefore, while the Secretary himself is going over the transcript, Mr. Berding and I are doing the same thing—checking on the unsure date, the wording of the agreement or communique, and typographical errors, or getting a further clarification of a response that in black type is not as clear to the reader as it sounded extemporaneously in the news conference.

In other words the Secretary reserves the right to correct the transcript for clarity, but this is in the nature of editorial correction rather than change in substance. Where any change of substance is made—due to an error on the part of the Secretary—this is indicated in the transcript within brackets.

As soon as these corrections are completed, stencils are cut and the transcript is run off. In order to save time we release it in page takes as they come off the mimeograph machines, rather than wait for the completed, assembled job.

As soon as the reporters have the completed transcript, the networks are given the green light to use all or such portions as they choose of the filmed and taped news conference itself for TV and radio news shows.

Daily News Briefing

So much for the most productive source of news at the Department. But, as we all know, foreign affairs developments are constantly occurring in the period between the Secretary's news conferences. So every day, excluding some Saturdays, most Sundays, and, of course, Tuesdays when the Secretary holds his news conference, I meet with the reporters for a briefing at 12:15 p.m. This is the best compromise we have been able to evolve between the competing requirements of morning and afternoon papers.

The preparations for these sessions are, on a much smaller scale, the same as those for the Secretary's news conferences.

Three Department officers arrive at the Department at 7 o'clock in the morning. They look through the *New York Times*, the *New York Herald-Tribune*, the *Baltimore Sun*, and the *Washington Post and Times-Herald* and cull stories of particular interest to the Department. These are boiled down to thumbnail size on several typewritten pages and are on the desks of the Secretary and the Under Secretary at 8:45. In about 5 minutes' reading one gets a pretty good idea of overnight global developments. We indicate the newspaper, the page, and the column, in case the reader wants to see the full story.

This news précis is also on Mr. Berding's desk and on my own, and in a few minutes I have a fair notion of what questions I can expect at the noon briefing.

Staff Work

Our staff is organized on a geographic and functional basis, one man being assigned to cover European developments, another Latin America, a third the Middle East, a fourth the Far East, and so on. These officers help me to prepare for the noon briefing. For example, the officer assigned to Europe discusses with various people in our European Affairs office any given development concerning that area on which I am likely

to be questioned. The officers with the responsibility for Latin America, the Middle East, economic affairs, etc., do the same thing.

Similarly, my principal assistants, Joseph Reap and Francis Tully, and I tackle the major questions that are global rather than restricted to a particular area. After dividing these among ourselves we all go our separate ways to confer with the appropriate Department officials involved in order to inform ourselves as fully as possible on the latest developments. The probing questions of our well-informed press make it necessary that we do our homework thoroughly.

Then there are always the "handouts"—announcements such as speeches, texts of notes, agreements, and itineraries of visiting dignitaries. These meanwhile are being mimeographed and scheduled for release at a time when the greatest number of reporters are at the Department.

Hopefully, by noon I am prepared with the material I need for anticipated questions. I then go over this material with Assistant Secretary Berding. There may be an item or two of such importance that we need to consult the Secretary or Under Secretary.

Meeting With the Press

Then I meet with the reporters. There are about 20 who cover the Department exclusively. They have their own booths in the press room and spend the day and early evening with us at the Department.

There are some 20 to 30 others—from smaller bureaus, which can't afford the luxury of a special State Department correspondent but which closely follow foreign policy developments—who come to the Department for the daily "briefer."

On some days we have a considerable volume of news; on others we have very little. But, much or little, the proceedings are generally enlivened by the deft, humorous question and the swaying tightrope answer, the good-natured legpulling, and more often than not the righteous gripe about the simultaneous release prematurely broken from abroad.

The balance of the day is filled with discussions with individual reporters developing individual stories. There is the job of seeing that the reporter is directed to the expert on a given subject,

for the best we can do is to hit the highlights and let the experts fill in all the technical details.

We generally wind up the day—or, as we say, "put the lid on"—around 6 p.m. Then, just as I sit down to dinner at 8 at home, the phone rings and the process starts all over again.

But this is the nature of the job, and news is no respecter of official office hours.

A foreign affairs development can break and does at 2 a.m. our time just as frequently as it does at noon our time. And if it is important that the American public know our position at noon, it is just as important that they know our position on a development that comes at 2 a.m.

The trick, of course, is to lay hands on and shake the sleep from the minds of the five or more Department officers that I, in turn, have to call to get the answer to the question that routed me out of bed at 2 a.m. But that is part of their job, too, and not the least of the inconveniences they willingly accept in undertaking the vital responsibilities of working for America's security and welfare.

The Citizen's Responsibility

And yet their work, I have tried to emphasize, can come to naught unless it is understood by their fellow Americans.

For we all know that these are trying days when the stakes for the future of our very way of life are high. It is no time for faint hearts. It is a time for steady nerves and quiet yet iron determination—

... determination that each of us, in his own way and to the best of his ability, will pitch in to assure that, in the continuing struggle with forces that would destroy our way of life, threat, subversion, and coercion shall not prevail;

... determination that aggression—direct or indirect—and the use of naked force to achieve political ends in this troubled world will prove more costly than peaceful and reasoned negotiation;

... determination that the world we know and that our children and grandchildren will know will be a better place in which to live;

... determination that, so long as this struggle continues, we will all accept our responsibilities as citizens to keep ourselves informed on the forces of good and of evil that abound in the world.

President Comments on DLF Proposals by Senator Fulbright

Following is an exchange of correspondence between President Eisenhower and Senator J. William Fulbright, chairman of the Senate Committee on Foreign Relations.

The President to Senator Fulbright

JUNE 4, 1959

DEAR SENATOR FULBRIGHT: Your letter of May 25, 1959, outlining proposed amendments to the Mutual Security Act of 1959 relating to the Development Loan Fund, has been carefully analyzed in the Executive Branch.

As my earlier recommendations and more recent public statements have indicated, I have always thought, as you do, that it is desirable to put the Development Loan Fund on a long-term basis in order to insure the best planning and utilization of economic assistance through this program. However, before commenting on your specific amendments, it seems appropriate to review the recent history of U.S.-aided means of capital development.

In my Mutual Security Message transmitted to the Congress on May 21, 1957,¹ I requested that the Congress establish a Development Loan Fund "to finance specific projects and programs which give promise of contributing to sound development . . . of long-term benefit to the borrowing country." I noted that "such loans should not compete with or replace such existing sources of credit as private investors, the International Bank, or the Export-Import Bank." Since this request a number of significant developments have occurred.

In 1958 the resources available to the Export-Import Bank were increased by \$2 billion. This assured a continuity of activity and made avail-

able funds for a high level of operation by this important lending institution.

There is now before the Congress a proposal to provide an additional U.S. subscription of \$3.175 billion in guarantee authority to the authorized capital of the International Bank for Reconstruction and Development, as our share of a 100 percent increase in the Bank's authorized capital.² If approved by the Congress this will enable the International Bank to raise through sales of its bonds to private investors, the funds required if it is to continue its operations in the field of development financing at a rate which is constantly growing, and now exceeds \$700 million per year. The Bank has not called upon the United States Government for any cash outlay since the initial capital subscription was completed in 1947.

We have recently requested Congress to authorize U.S. membership in the Inter-American Bank which will have total resources of \$1 billion, of which the U.S. would subscribe \$450,000,000, with \$200,000,000 of this being in the form of guarantees.³ There also is pending before the Congress an increase of 50 per cent in the resources available to the International Monetary Fund, which provides short term financing for countries with temporary balance of payments problems and endeavors to help these countries correct the financial policies that have led to their exchange difficulties.

In addition we are actively consulting with other countries looking toward the establishment of an International Development Association which will provide a continuing organization for development financing on a multilateral basis. In this institution the cost of financing will be shared with other industrial nations on a continuing basis.

In combination with the Development Loan Fund, these lending activities provide a formi-

¹ For text, see BULLETIN of June 10, 1957, p. 920.

² For background, see *ibid.*, Mar. 30, 1959, p. 445.

³ See p. 928.

dable array of resources to assist in the development of the free world.

Your proposed amendments to the Mutual Security Act of 1959 would make available to the Development Loan Fund, commencing in fiscal 1960, not to exceed \$1.5 billion per year for five years by a public debt transaction.

I have asked Congress for an authorization and appropriation of \$700 million for the Development Loan Fund in fiscal 1960.⁴ In my opinion a sum of this general magnitude is adequate to carry forth this vital part of our international program for the next year. Establishing a figure approximately double this amount for fiscal 1960 seems unwise, and I would hope that in succeeding years the rapid advance in the economic and financial strength of other industrial countries, particularly in Europe, will lead them to conclude that it is in their interest and in that of the free world to provide a growing volume of financing for the less-developed areas. I would be most reluctant to predicate our action now on an assumption that this would not occur.

In my Budget Message this year,⁵ because of the growing tendency to bypass the appropriations procedure, I said, "I sincerely hope that the Congress will again consider ways by which it can more effectively overcome . . . the provision of new obligational authority outside of the appropriations process. . . ." This is now established Administration policy, and recommendations of previous years for spending from debt receipts that were made while such policy was being formulated must yield to it. Accordingly I do not look with favor upon the provisions of your amendments which authorize the Development Loan Fund to borrow from the Treasury.

I believe our common objective can best be accomplished through a long-term authorization of appropriations in reasonable amounts, together with the concurrent enactment in one appropriation bill of appropriations for each of the years for which the program is authorized—a specified appropriation for each year, each appropriation to remain available until expended.

While this procedure would not provide the full measure of flexibility now given the Export-Import Bank and the International Bank, it must be remembered that the purpose of the Development

Loan Fund as described in its basic statute is to make loans only when other sources of private and public capital are not available. Many of its loans are repayable in the currency of the borrower. As a consequence, this fund cannot "revolve" in the same manner as do those of other lending institutions. However, a multiple-year authorization and appropriation should enable the Development Loan Fund to put its operations on a satisfactory long-term basis, the goal we both are seeking.

I appreciate your sincere interest in this vital program. With a mutual objective, we should be able to develop acceptable programs to aid and develop the free nations of the world.

Sincerely,

DWIGHT D. EISENHOWER

The Honorable J. WILLIAM FULBRIGHT
United States Senate
Washington, D.C.

Senator Fulbright to the President

MAY 25, 1959

DEAR MR. PRESIDENT: Several weeks ago I introduced amendments to the Mutual Security Act of 1959 relating to the Development Loan Fund. Those amendments would, if approved, make available to the Fund not to exceed \$1.5 billion per year for five years by a public debt transaction—the same technique you proposed two years ago, and which was approved by the Senate, but rejected by the House of Representatives.

My purpose in proposing these amendments is to get the Development Loan Fund on the same basis as the Export-Import Bank and the International Bank, so that our loans could be carefully planned and thus assure not only the successful achievement of the aims of such loans, but their repayment. The purpose of these amendments has received wide public support throughout our hearings, and has received bipartisan support within the Committee.

It is my understanding of statements made during a recent press conference that you support, in principle at least, the purpose of these amendments. In testimony today before the Committee on Foreign Relations, however, Acting Secretary of State Dillon indicated that the Department of State does not "feel it appropriate to advance a recommendation of our own for longer-term capitalization this year. . . ." He also indicated that, despite the fact that two years ago you proposed a public-debt transaction as an effective procedure for long-term planning, the "fiscal agencies of the Executive Branch have since generally gone on record in favor of financing operations such as this through the appropriations process".

It is the view of a number of the members of the

⁴ BULLETIN of Mar. 30, 1959, p. 427.

⁵ For excerpts, see *ibid.*, Feb. 9, 1959, p. 198.

Committee that annual appropriations do not provide a sound basis for planning a banking-type loan fund.

I am frank to state, Mr. President, that I see little likelihood of acceptance by the Congress of these amendments to put the Development Loan Fund on a long-term basis with assured financing in adequate amounts unless you and your Administration give them your full, unqualified support.

The Committee on Foreign Relations will begin its consideration of the Mutual Security Act next Monday, June 1. Speaking not only for myself, but for a number of other members of the Committee on both sides of the aisle, and without any partisan motivation, I hope you can give these amendments your support.

Respectfully yours,

J. W. FULBRIGHT
Chairman

THE PRESIDENT
The White House

Department Urges U.S. Participation in Inter-American Bank

Statement by Acting Secretary Dillon¹

I am very pleased to appear before this committee in support of United States participation in the Inter-American Bank.

Secretary Anderson has given you a very comprehensive picture of the Bank's proposed operations, as well as details of its charter. I shall direct my remarks to the important contributions which the new institution can make to the economic growth of the Western Hemisphere and to our relations with the peoples and governments of Latin America.

We are all sympathetically aware of the intense desire for higher standards of living in the underdeveloped areas of the world, whose governments are under relentless pressure from their peoples to promote economic development. These demands for material progress are no less strong in the long-independent nations of Latin America than they are in the newly independent countries of Asia and Africa. And in Latin America, as in other less developed areas, we have a national interest in seeing this urgently desired growth achieved in an environment of freedom.

¹ Made before a subcommittee of the House Banking and Currency Committee on June 4 (press release 391). For text of the President's message to Congress recommending membership in the Inter-American Development Bank, see BULLETIN of June 8, 1959, p. 849.

While it is true that Latin America possesses in varying degrees the human and material resources essential to development, no single country has them in sufficient degree to realize its potential for growth without outside help. Both external capital and technical assistance are needed if our sister republics to the south are to make genuine progress toward establishing viable economies under stable, free institutions.

The Inter-American Bank should provide great impetus in helping them to make that progress. For the Bank is uniquely tailored to meet the needs of Latin America. It is different from any other institution in which this country now participates.

Perhaps the Bank's most striking feature is that it is more than a financing institution. It is truly a development institution. For it will provide technical assistance to participating countries to insure that proposed projects are properly engineered and designed in relation to the overall development needs of the country concerned.

In this connection I think it important to recall that the Inter-American Development Bank represents the culmination and fulfillment of desires expressed by the countries of Latin America for more than 60 years. The other American Republics have long felt that an inter-American institution was required if Latin American problems and needs were to be given fully adequate consideration.

Many people in Latin America have felt for some time that we have taken them for granted in relation to Europe. Many also fear that higher priority will be given to the needs of the newly emerging countries of Asia and Africa, which are comparatively less developed. They consider that an inter-American bank, to which they themselves contribute, will give them a greater voice in policy and in the allocation of available funds. They look to the Bank as a source of needed additional capital, which is especially important now that they have reached a stage of development where they can usefully absorb larger sums.

We believe it is in our national interest to support the Latin American desire for this organization. The Inter-American Development Bank will be a further and logical expression of the special system of relationship in this hemisphere which is reflected in the Organization of Amer-

ican States. Since the early days of our country we have come to recognize that our ties and common interests with Latin America are of unique importance in United States foreign policy. Our membership in the new Inter-American Bank will be tangible recognition of this unique relationship in the field of our foreign financial policy. The Bank will be a concrete expression of the desire of all the peoples of the Americas to pursue sound economic policies which will make a maximum contribution to hemispheric development in an atmosphere of mutual trust and understanding.

The Bank will establish an assured source of funds wholly devoted to meeting Latin American requirements. Latin America will have a strong voice in its management and control and will be making a significant contribution to its capital resources. The success or failure of this institution rests to a considerable extent in their hands. And this is as it should be. Since a large part of the Bank's capital will be subscribed by the Latin American countries themselves, it is healthy that these countries should fully share the responsibility for setting the policies which will determine the allocation of resources and for establishing the criteria which will determine eligibility for loan assistance. Thus the Bank will help to introduce a force for stability in Latin American economic relationships.

Special Features of Inter-American Bank

I should like to call special attention to certain features of this institution which I think are particularly significant and which will enable the Bank to make a unique contribution.

Secretary Anderson has told you about the Fund for Special Operations. This Fund will, in effect, be one of the departments of the Bank. The term "Fund" has been used to emphasize the segregation of this segment of the Bank's operations from its ordinary operations so that there may be no confusion in the minds of prospective purchasers of bonds with respect to the possibility that their money will be used for "soft loan" operations. Such will not be the case. Money borrowed on capital markets will be used only for "ordinary operations," and in the Bank's ordinary operations the borrower will be obligated to repay in the currency borrowed.

However, through the Fund for Special Operations the Bank will be empowered to make loans

repayable in whole or in part in the currency of the borrower. Such loans will be limited to special circumstances where a country does not have sufficient debt-carrying capacity to justify payment in foreign exchange, or in the case of particular projects where it appears repayment in foreign exchange is not warranted. This provision for making special loans will give the Inter-American Bank a measure of flexibility not hitherto available to other international lending institutions. The potential beneficiaries of the Fund's operations will themselves be contributing to the initial resources of the Fund and will share with us the responsibility of determining where the resources shall be expended. This feature will permit the Inter-American Bank to make a special contribution to the problems of financing economic development in Latin America.

One of the most important contributions of the Inter-American Development Bank will be in the field of technical assistance. It will undoubtedly help to train officials in the member countries in economic development planning and implementation. It will stimulate sounder overall development plans in individual countries. Most important, however, is its potential in connection with individual development projects. All too often we hear that existing institutions are not making enough loans in Latin America, while at the same time the institutions are saying that they would be glad to make additional loans if they had well-planned, properly engineered projects to consider. I hope that the Inter-American Bank will emphasize the preparation of well-designed, well-engineered projects which will merit the attention of existing lending institutions as well as the Bank itself.

Use of Other Lending Institutions

To help meet the expense of this work the Bank is authorized, during the first 3 years of its operations, to use up to 3 percent of the initial resources of the Fund.

However, the Latin American countries will continue to be completely free to seek the assistance of the Export-Import Bank when they have the capacity to repay in dollars and wish to procure goods in the United States. We expect the activities of the Export-Import Bank in Latin America will continue undiminished. Countries also, of course, will continue to be free to seek

financing from the International Bank for Reconstruction and Development. Thus we view these institutions as complementary and not competitive.

With respect to special loans, ordinarily we will expect the Latin American countries to go to the Bank for the financing of their projects before they come to the Development Loan Fund. This, of course, is in accordance with the criteria of the Development Loan Fund, which prohibit the Development Loan Fund from considering a loan proposal until it can be ascertained that financing is not available from other free-world sources.

It can be expected that, when the Inter-American Development Bank is unable to finance a particular project, it will give the member countries advice on how to present the proposal to other available lending institutions, both international and United States. This should lead to a better coordinated and more coherent approach by the Latin American countries to the financial resources available to them. The location of the Inter-American Development Bank in Washington will greatly facilitate coordination of its operations with those of other international and U.S. lending institutions.

In conclusion I should like to say that the establishment of this Bank will be a significant forward step in strengthening our economic relations with Latin America. Over the years the Organization of American States has been a significant bulwark for peace in this hemisphere. It is fitting now that we take this next logical step in cementing our economic relations with Latin America. Accordingly, the Department of State strongly supports the legislation now before you authorizing the United States to join the proposed Bank and make its required capital subscription.

Congressional Documents Relating to Foreign Policy

86th Congress, 1st Session

Facilitating the Admission Into the United States of Certain Aliens. Report to accompany H.J. Res. 323. H. Rept. 260. April 10, 1959. 62 pp.
Fourth NATO Parliamentarians Conference. Report of the U.S. House Delegation to the Paris Conference, November 15-21, 1958. H. Rept. 265. April 10, 1959. 15 pp.
International Medical Research: A Compilation of Background Materials. Report of the Senate Committee on

Government Operations and its Subcommittee on Reorganization and International Organizations. S. Rept. 160. April 10, 1959. 117 pp.
The Status of World Health, In Outline Text and Chart. Report of the Senate Committee on Government Operations and its Subcommittee on Reorganization and International Organizations. S. Rept. 161. April 10, 1959. 81 pp.
Coordination of Cultural Exchange Programs. Report to accompany S. 455. S. Rept. 188. April 15, 1959. 4 pp.
North Atlantic Treaty Parliamentary Conference for 1959 in Washington, D.C. Report to accompany H. Con. Res. 34. S. Rept. 189. April 15, 1959. 2 pp.
Nomination of Clare Boothe Luce. Hearing before the Senate Foreign Relations Committee on Mrs. Luce's nomination to be Ambassador to Brazil. April 15, 1959. 38 pp.
What Is Wrong With Our Foreign Policy. Hearing before the Senate Foreign Relations Committee. April 15, 1959. 26 pp.
Proposed Supplemental Appropriation—Department of State. Communication from President Eisenhower. S. Doc. 24. April 17, 1959. 2 pp.
Invitation to U.S. Congress To Participate in a Second Strasbourg Conference of the Council of Europe. Report to accompany S. Con. Res. 23. S. Rept. 205. April 17, 1959. 2 pp.
Suspension of Nuclear Weapons Tests. Report to accompany S. Res. 96. S. Rept. 206. April 17, 1959. 2 pp.
Prisoners of War in the Korean Hostilities. Report to accompany H.R. 4121. S. Rept. 211. April 20, 1959. 6 pp.
Amendment to the National Aeronautics and Space Act of 1958. Report to accompany H.R. 4913. S. Rept. 213. April 20, 1959. 6 pp.
Proposed Supplemental Appropriations for the National Aeronautics and Space Administration. Communication from President Eisenhower. H. Doc. 114. April 20, 1959. 2 pp.
Nomination of Christian A. Herter. Hearing before the Senate Foreign Relations Committee on Mr. Herter's nomination as Secretary of State. April 21, 1959. 14 pp.
Financing Congressional Participation in Meetings of the Canada-United States Interparliamentary Group. Report to accompany H.J. Res. 254. S. Rept. 217. April 22, 1959. 3 pp.
Treaty of Amity, Economic Relations, and Consular Rights With the Sultan of Muscat and Oman. Report to accompany Ex. A, 86th Cong., 1st sess. S. Ex. Rept. 1. April 22, 1959. 7 pp.
Trading With the Enemy Act. Report of the Senate Committee on the Judiciary made by its Subcommittee To Examine and Review the Administration of the Trading With the Enemy Act, pursuant to S. Res. 232, 85th Cong., 2d sess., as extended. S. Rept. 228. April 27, 1959. 10 pp.
Annual Report of the Saint Lawrence Seaway Development Corporation. H. Doc. 120. April 27, 1959. 48 pp.
Civil Defense in Western Europe and the Soviet Union. Fifth report by the Committee on Government Operations. H. Rept. 300. April 27, 1959. 109 pp.
Amendment to the Atomic Energy Act of 1954, as Amended. Report to accompany H.R. 5104. H. Rept. 327. April 29, 1959. 4 pp.
Amendment of Section 2784 of Title 10 of the United States Code so as To Extend the Statute of Limitations as to Certain Foreign Claims. Report to accompany H.R. 2740. H. Rept. 325. April 29, 1959. 3 pp.
Attendance at Meeting of Commonwealth Parliamentary Association. Report to accompany S. Con. Res. 29 and S. Res. 114. S. Rept. 238. April 30, 1959. 2 pp.

Inter-American Cooperation for Economic Growth

*Statement by Thomas C. Mann
Assistant Secretary for Economic Affairs¹*

There have been many references made by the distinguished delegates who have preceded me to the aspiration of the people of Latin America for a better and fuller life. I can assure you that the people of the United States share this aspiration not only for themselves and their children but for all the peoples of the Western Hemisphere.

It is for this reason that the United States, when it was first consulted concerning Operation Pan America, expressed its enthusiastic support of the initiative of the distinguished President of Brazil, Dr. [Juscelino] Kubitschek. Since then the President of my country and many of its high officials have reiterated our concern with the problem of underdevelopment and our willingness to cooperate in sound measures to promote a more rapid economic growth throughout the hemisphere.²

U.S. Measures for Economic Development

Mr. Chairman, to avoid any lack of awareness which may exist as to the specific concrete measures recently taken by the United States within the spirit of Operation Pan America, I would like to list some of them:

First, the United States has given its full sup-

¹ Made on Apr. 30 before the Special Committee of the Council of the Organization of American States To Study the Formulation of New Measures for Economic Cooperation (Committee of 21), which held its second meeting at Buenos Aires, Argentina, Apr. 27-May 8. Mr. Mann was chief of the U.S. delegation. For announcement of the meeting, see BULLETIN of May 18, 1959, p. 728.

² For background, see *ibid.*, Apr. 6, 1959, p. 479.

port to the creation of the new Inter-American Development Bank.³ Representatives of all our countries have now signed the Final Act of the Specialized Committee which negotiated the charter, and the charter is in the hands of our respective governments for formal action. The Specialized Committee, which worked under the very able leadership of Dr. Mario Oscar Mendivil, deserves the gratitude of us all. The new Bank is designed to be an institution to which all the American Republics will contribute and in the direction of which all will share. The charter calls for the United States to subscribe a substantial part of the Bank's capital and contemplates United States support for the Bank's efforts to raise funds in private capital markets.

Second, the capital of the Export-Import Bank has recently been increased by \$2 billion. This Bank has traditionally given a major share of its attention to the development needs of the Latin American countries.

Third, we have recently proposed that the resources of the International Monetary Fund be substantially increased so that this institution can render more effective help to nations in balance-of-payments difficulties. We are seeking authority to subscribe an additional amount of approximately \$1.4 billion.⁴

Fourth, we have proposed that the International Bank be authorized to double its lending facilities. This will involve an increase in the contingent liability of the United States by more than \$3 billion to support the raising of capital

³ See p. 928.

⁴ For statements on the proposed legislation by Secretary of the Treasury Robert B. Anderson and Under Secretary of State Douglas Dillon, see BULLETIN of Mar. 30, 1959, p. 445.

in private markets in the United States and elsewhere.⁴

Fifth, the Congress of the United States has recently authorized the establishment of the Development Loan Fund, which has now completed its first year of actual operation. The Congress is now considering a supplemental appropriation request of \$225 million for this institution, and the administration has requested an additional appropriation of \$700 million for the fiscal year commencing in July 1959.⁵

Sixth, the United States is supporting current efforts on the part of Latin American governments to move toward common market arrangements which will permit the free flow of goods, labor, and persons so that goods may be produced for larger internal markets under more competitive and therefore more efficient conditions with the aim of lowering costs to the consumer.

Seventh, we have actively cooperated with the efforts of the coffee-producing nations to find sound and practicable ways of preventing severe fluctuations in international markets which would be damaging to the economies of so many countries. In the same spirit we have voluntarily withheld from the market large surpluses of certain commodities for which we have no current need. I am sure that those countries which have requested our cooperation in this field understand the importance to their economies of the continuation of this policy.

Eighth, in the field of international trade, we have acquiesced in the General Agreement on Tariffs and Trade to proposals of certain of our sister republics to increase restrictions on the importation of United States goods in order to protect their infant industries. In some cases these trade concessions were accepted notwithstanding the fact that the trade balance is heavily unfavorable to the United States.

Ninth, in recent months the United States economy, both through public and private channels, has made substantial loans to several of the American states and continues ready to help those which are making realistic efforts to deal with balance-of-payments problems, to control inflation, and hold down living costs.

⁴ For a statement by Under Secretary Dillon before the House Foreign Affairs Committee on Mar. 24, see *ibid.*, May 4, 1959, p. 638.

Tenth, in response to emergency situations in some of our sister republics we have made special loans and grants designed to alleviate hardships and to facilitate economic recovery.

Eleventh, we are continuing our bilateral technical assistance programs as well as our comparatively heavy contribution to similar programs of the United Nations and of the Pan American Union.

Twelfth, to facilitate the flow of private development capital to those countries desiring it, we have established an investment guarantee program. About half of the American Republics have taken advantage of this program by entering into agreements with us. We have also expressed our willingness to negotiate tax treaties, including a tax-sparing provision. Under this provision, as you know, arrangements would be worked out to permit the United States authorities to give foreign investors credit for income taxes temporarily waived or "spared" by other countries as an attraction to development investment. Against this substantial background of cooperation the United States has welcomed the opportunity to examine with all the other American Republics new measures of economic cooperation which might contribute to our common goal of expediting the economic development of this hemisphere.

Value of Inter-American Meetings

I wish here to pay special tribute to this Committee, to the working group, and to the secretariat for the 24 resolutions which are on our agenda for this meeting. Subject to minor revisions we support wholeheartedly these resolutions and are prepared to bear our customary share of an expanded budget for the Pan American Union to carry out the new high-priority tasks this Committee will assign to it.

I am not one of those, Mr. Chairman, who adopts a pessimistic attitude toward our problems. The meeting held here in 1957,⁶ for example, has not been credited with some of the accomplishments which we owe to it. One of the resolutions of that meeting nurtured the seed long ago planted for the Inter-American Development Bank, whose early creation we all desire and can

⁶ For background, see *ibid.*, Sept. 16, 1957, p. 463, and Sept. 30, 1957, p. 539.

now confidently foresee. In the time that has elapsed since the meeting much has been accomplished. The value of inter-American meetings lies not only in the resolutions that are adopted but in the exchange of views and ideas about our common problems. And more especially they can be of great significance if the representatives who participate in them return to their own countries with a better understanding not only of their own problems but of the problems of others. Out of reciprocal understanding and out of reciprocal respect can come cooperation which can best promote economic growth.

The United States wants to cooperate with its sister republics not because we fear the Soviet bloc but because our people genuinely wish to be full partners in building toward our common dream and ideal that America—all of America—should be a region of peace and progress.

When our Thirteen Colonies, small and poor, surrounded by enemies anxious to suffocate the revolutionary ideas of liberty and dignity of man, declared their independence, they did not do so in fear. Now, nearly 200 years later, we have even less reason to fear. We have an abiding faith in the dynamism of our way of life.

And so, Mr. Chairman, when our leaders speak to our people about the need for their continued sacrifice so that we can maintain and increase our cooperation with the free world, we are thinking in terms of interdependence rather than dependence of any one state on another. Our simple creed is that the nations of the free world all have more to gain by cooperation than by conflict; that as technological progress shrinks the size of the earth and as our economies and lives become more complex, all of us become increasingly dependent on all the others.

Need for Increased Effort

It is said, Mr. Chairman, that the need is great and the time is short; that greater efforts are needed if we are to live up to the expectations of our peoples. We agree.

The rate of economic growth in Latin America over the last decade has been about 4.5 percent per year in comparison with a growth rate in the United States of about 3.5 percent. By usual standards this would normally be regarded as satisfactory, if not spectacular. One has only to do

simple arithmetic to conclude that if the population were static it would take only a few years for average per capita income to increase to the point where every citizen could see and feel improvement.

The figures show, I believe, that at the turn of this century Latin America had a population of about 69 million people. Today it has tripled and stands at 185 millions. While demographic projections are notoriously inaccurate, if the present rate of population growth continues, the general magnitude of the development problem is evident.

The challenge of our times is to find better ways not only to improve living standards today but to create new jobs and new facilities for an ever-growing number of people. The constant search for new ideas, for new techniques, and for new ways should be, and I am sure is, the aim of every person at this conference table.

The United States has agreed in article 26 of the Bogotá charter [charter of the Organization of American States] to cooperate as far as its resources permit and its laws provide. I am confident that the people and Government of the United States will in the future, as they have in the past, do their full share.

But, in discussing what can reasonably be expected from the United States, it is fair and necessary for all of us to take into account the very heavy burden which the American taxpayer today bears in order to create a defensive shield for the United States and for the hemisphere. Our neighbors on this continent who happily do not have a formidable armaments burden to carry are in consequence freer to concentrate their resources for immediate economic development. The level of income, gift, property, estate, and inheritance taxes is already a heavy burden on all the people of the United States.

It would not be proper for me to suggest that other governments should make similar efforts to maintain sound monetary and fiscal policies, to create confidence in their currencies, to encourage savings, and to increase the availability of public funds through taxation. These are matters which each country must decide for itself and on which many are making substantial progress.

I do venture to suggest, however, that if our respective governments are to provide all of the facilities which will be needed to take care of present and future populations—such things as

schools, sanitation facilities, and roads, which only governments can provide—the resources of governments will be hard pressed to meet the need.

It is for this practical reason that my delegation suggests that the main burden of providing jobs for an ever-increasing number of breadwinners must fall heavily on private enterprise, which alone has resources adequate to the need.

Public and private capital together, working in harmony and toward the same end, can meet the combined challenge of social and industrial development if they are allowed to do so.

In addition to the need for capital there is the need for expanding trade. Economic growth depends heavily upon trade. It is the principal way in which foreign exchange is earned so that capital goods may be imported. This is why we place great importance on doing everything we can to liberalize and expand trade through adherence to the principles of the General Agreement on Tariffs and Trade, including true common-market arrangements.

In the field of technical assistance I wish to refer not only to the plans for the creation of a technical assistance department in the new Inter-American Bank but to the aggressive efforts provided for in the resolutions before us to bring about the assembling of factual material and the analysis of that material so that we may better understand and utilize our economic resources.

The distinguished delegate from Brazil [Augusto Frederico Schmidt] has correctly said that words by high officials will not suffice. Let us, then, approach our task in confidence and in unity with the single aim of creating an ever and ever greater level of productivity in the American Continent.

The United States is ready to get on with the work.

Frederick Seitz Appointed NATO Science Adviser

The Department of State announced on June 2 (press release 382) that the North Atlantic Treaty Organization had issued a release at Paris that day regarding the appointment of Frederick Seitz, head of the Department of Physics at the University of Illinois, as Science Adviser. Dr. Seitz,

who will also be chairman of the NATO Science Committee, will succeed Norman F. Ramsey, professor of physics at Harvard University.

The Science Adviser is concerned with the NATO science program, which stems directly from the principles laid down by the Heads of Government in December 1957¹ and which is moving forward in the promotion of scientific cooperation among NATO countries. Under the guidance of a distinguished group of scientists who comprise the NATO Science Committee, a program of scientific research fellowships for 250 students is planned for 1959 and funds have been made available to sponsor advanced study institutes on scientific subjects. This year five institutes are planned as follows: at Les Houches, France, sponsored by the University of Grenoble; at Oslo, Norway, sponsored by the Institute for Atomenergi; at Naples, Italy, sponsored by Scuola di Perfezionamento in Fisica Terioca e Nucleare; at Varenna, Italy, sponsored by the International School of Physics; and at Corfu, Greece, sponsored by the University of Athens. Additional programs in the field of scientific and technical cooperation are being planned by the NATO Science Committee.

United States Delegations to International Conferences

43d Session of International Labor Conference

The Department of State announced on June 3 (press release 389) that the President had designated the following persons as the principal U.S. delegates to the 43d session of the International Labor Conference, which convened at Geneva on June 3.

REPRESENTING THE GOVERNMENT OF THE UNITED STATES Delegates

George C. Lodge, Assistant Secretary of Labor for International Affairs

Horace E. Henderson, Deputy Assistant Secretary of State for International Organization Affairs

Substitute Delegate

Allen R. De Long, Special Assistant to the Secretary of Commerce

¹ BULLETIN of Jan. 6, 1958, p. 12.

REPRESENTING THE EMPLOYERS OF THE UNITED STATES

Delegate

Cola G. Parker, director, Kimberly-Clark Corp.

REPRESENTING THE WORKERS OF THE UNITED STATES

Delegate

Rudolph Faupl, international representative, International Association of Machinists

The Speaker of the House of Representatives has been asked to designate two congressional advisers. It is expected that these names will be announced later.

The 43d session of the Conference will consider, among other things, the conditions of work of fishermen; protection of workers against radiation; problems of nonmanual workers, such as technicians and supervisors; collaboration between public authorities and employers' and workers' organizations; and organization of occupational health services in places of employment.

12th Session of ICAO

The Department of State announced on June 5 (press release 399) the following members of the U.S. delegation to the 12th session of the Assembly of the International Civil Aviation Organization (ICAO) which will convene at San Diego, Calif., June 16:

Delegates

E. R. Quesada, *chairman*, Administrator, Federal Aviation Agency

Nelson B. David, U.S. Representative on the Council of the International Civil Aviation Organization

Chan Gurney, member, Civil Aeronautics Board

Bradley D. Nash, Deputy Under Secretary of Commerce for Transportation

Laurence C. Vass, director, Office of Transport and Communications, Department of State

Alternate Delegates

Robert P. Boyle, Associate General Counsel, Federal Aviation Agency

Sidney S. Cummins, Office of International Administration, Department of State

Raymond B. Maloy, director, Office of International Coordination, Federal Aviation Agency

Congressional Advisers

Jeffery Cohelan, House of Representatives

Bob Wilson, House of Representatives

Advisers

John M. Bowman, chief, Regulatory Section, Air Transport Association of America, Inc.

Frank H. Fuqua, deputy chief, ICAO Division, Office of International Coordination, Federal Aviation Agency
Joan S. Gravatte, Aviation Division, Department of State
Alfred Hand, Assistant to the Director, Office of International Coordination, Federal Aviation Agency
Mary C. Hillyer, assistant chief, International Division, Bureau of Air Operations, Civil Aeronautics Board
Col. Thomas A. Personett, USAF, Directorate of Plans, Department of the Air Force

Paul Reiber, Assistant General Counsel, Air Transport Association of America, Inc.

Claude H. Smith, chief, ICAO Division, Office of International Coordination, Federal Aviation Agency

John Wanner, Associate General Counsel, Civil Aeronautics Board

Secretary of Delegation

Harry V. Ryder, Jr., Office of International Conferences, Department of State

This is the first time the United States has served as host to the plenipotentiary body of the Organization since ICAO was founded at the Chicago International Civil Aviation Conference in 1944.

The Assembly will review the technical, economic, and legal work of the Organization. One of the main topics for discussion will be the problem of providing air navigation facilities and services for international aviation, particularly the new jet transports.

Official delegations from almost all of the 74 member countries of ICAO are expected to attend. In addition certain countries which are members of the United Nations but not of ICAO, as well as certain international organizations, may send observers. The conference is expected to last about 3 weeks.

TREATY INFORMATION

Current Actions

MULTILATERAL

Narcotic Drugs

Protocol bringing under international control drugs outside the scope of the convention limiting the manufacture and regulating the distribution of narcotic drugs concluded at Geneva July 13, 1931 (48 Stat. 1543), as amended (61 Stat. 2230; 62 Stat. 1796). Done at Paris

November 19, 1948. Entered into force December 1, 1949. TIAS 2308.
Acceptance deposited: Ukrainian Soviet Socialist Republic, May 7, 1959.

Publications

Agreement relating to the repression of circulation of obscene publications, signed at Paris May 4, 1910, as amended by protocol signed at Lake Success May 4, 1949. Entered into force September 15, 1911, and May 4, 1949. 37 Stat. 1511; TIAS 2164.
Accession deposited: Jordan, May 11, 1959.

Slavery

Slavery convention signed at Geneva September 25, 1926, as amended by the protocol of December 7, 1953. Entered into force March 9, 1927, and July 7, 1955. 46 Stat. 2183; TIAS 3532.
Accession deposited: Jordan, May 5, 1959.

BILATERAL

Austria

Agreement providing for settlement of certain U.S. claims under article 26 of the Austrian state treaty of May 15, 1955 (TIAS 3298). Effected by exchange of notes signed at Vienna May 8 and 15, 1959. Entered into force May 15, 1959.

Brazil

Agreement further amending the agricultural commodities agreement of December 31, 1956, as amended (TIAS 3725, 3864, 4074, 4144, and 4183). Effected by exchange of notes at Washington May 29, 1959. Entered into force May 29, 1959.

Pakistan

Convention for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income. Signed at Washington July 1, 1957. Entered into force May 21, 1959.
Proclaimed by the President (with a reservation): May 28, 1959.

Panama

Agreement relating to the sale of military equipment, materials, and services to Panama. Effected by exchange of notes at Panamá May 20, 1959. Entered into force May 20, 1959.

DEPARTMENT AND FOREIGN SERVICE

Appointments

John E. Loomis as General Counsel of the U.S. Development Loan Fund. (For biographic details, see Department of State press release 401 dated June 6.)

Confirmations

The Senate on June 4 confirmed Ogden Rogers Reid to be Ambassador to Israel. (For biographic details, see Department of State press release 176 dated March 12.)

President Amends Executive Orders on Administration of Foreign Aid

White House press release dated May 21

WHITE HOUSE ANNOUNCEMENT

The President on May 20 issued an Executive order relating to the administration of the mutual security program. The action of the President was occasioned by the enactment of the Mutual Security Act of 1958 (amending the principal foreign aid statute—the Mutual Security Act of 1954).

The order consists of numerous amendments of prior Executive orders pertaining to the administration of the mutual security program. These amendments are primarily of a technical or routine administrative nature. The basic pattern for administering mutual security activities remains unchanged. That pattern is indicated by the following:

Department of State, including the International Cooperation Administration: All functions under the Mutual Security Act of 1954, as amended, except as otherwise indicated below and except as specifically reserved to the President. Among principal programs are economic assistance (including defense support and special assistance), technical cooperation, investment guaranties, and contributions to international organizations.

Department of Defense: Military assistance.

Development Loan Fund: Certain loans and other financing transactions to or with nations for purpose of furthering their economic development.

Department of Commerce: Facilitation and encouragement of travel; participation with respect to opportunities for private enterprise for investment and development in other free nations.

U.S. Information Agency: The publicizing abroad of activities carried out abroad under the Mutual Security Act of 1954, as amended.

EXECUTIVE ORDER 10522¹

FURTHER PROVIDING FOR THE ADMINISTRATION OF FOREIGN-AID FUNCTIONS

By virtue of the authority vested in me by the Mutual Security Act of 1954 (68 Stat. 832), as amended, including particularly sections 521 and 525 thereof, and by section 2(d) of Reorganization Plan No. 8 of 1953 (67 Stat. 643), and as President of the United States, it is ordered as follows:

SECTION 1. Executive Order No. 10575 of November 6,

¹ 24 Fed. Reg. 4159.

1954 (19 F.R. 7249),² as amended or affected by Executive Order No. 10610 of May 9, 1955 (20 F.R. 3179),³ Executive Order No. 10625 of August 2, 1955 (20 F.R. 5571),⁴ Executive Order No. 10663 of March 24, 1956 (21 F.R. 1845),⁵ and Executive Order No. 10742 of November 29, 1957 (22 F.R. 9689),⁶ is hereby further amended as follows:

(a) Section 101 (b) is amended by substituting "106(d)" for "107(b)", by substituting "section 402" for "sections 402 and 505", and by substituting "Chapter I" for "chapter 1 of Title I".

(b) Section 101(c) is amended by substituting for the text "and by Executive Order No. 10522 of March 26, 1954 (19 F.R. 1689)" the words "as amended", and by inserting before the final period the following: "; and the Director is hereby further authorized to carry out the functions of the Board of Foreign Service provided for by the Foreign Service Act of 1946, as amended (80 Stat. 999; 22 U.S.C. *et seq.*), with respect to personnel appointed or assigned pursuant to section 527(c) of the Act, and to prescribe such regulations and issue such orders and instructions, not inconsistent with law, as may be necessary or desirable for carrying out the foregoing functions; *Provided*, that nothing herein shall be construed as transferring to the Director any function of the Board of Foreign Service relating to any Foreign Service Officer".

(c) Section 102(a)(1) is amended by substituting "Chapter I" for "chapter 1 of Title I".

(d) Section 102(a)(4) is revoked.

(e) Section 102(a)(5) is redesignated section 102(a)(4), and is amended by inserting before the period the following: "; as amended".

(f) Section 102(b) is revoked.

(g) Section 102(c) is redesignated section 102(b), and is amended by substituting "Chapter I" for "chapter 1 of Title I".

(h) Section 103(a)(1) is amended by substituting a comma for "and", and by inserting after "into" the following: "; and terminating".

(i) Section 103(a)(2) is amended by substituting "143, 202(a)," for "202, 204", and by inserting "407," after "405(a),".

(j) Sections 103(a)(3) and (4) are redesignated sections 103(a)(4) and (5), respectively, and a new section 103(a)(3) is inserted after section 103(a)(2) reading as follows:

"(3) The functions conferred upon the President by section 403 of the Act, exclusive of the function of determining any provision of law to be disregarded to achieve the purposes of that section."

(k) Section 103(c) is amended by deleting "132(c),".

(l) Section 103(d) is amended by deleting ", 102(b),".

(m) Section 103(e) is amended by inserting after the parentheses the following: "; as amended".

(n) Section 104(b) is amended by inserting "the first sentence of" before "section".

(o) The heading of section 106 is amended to read "*Allocation and advance of funds.*"

(p) That portion of section 106(a) preceding the numbered paragraphs thereof is amended by inserting "or advanced" after "allocated".

(q) Section 106(a) is amended by inserting "; as amended" after "1956", and by substituting "Chapter I of the Act" for the following: "chapter 1 of Title I of the Act, as amended, and, without regard to section 106(a)(2) of this order, funds for carrying out section 124 of the Act, as amended".

(r) Section 106(a)(2) is amended by inserting "made available exclusively" after "except those", and by substituting "Chapter I and Title II of Chapter II" for "chapter 1 of Title I".

(s) A new section 106(a)(3) is added after section 106(a)(2), reading as follows:

"(3) Funds for carrying out Title II of Chapter II of the Act shall be advanced to the Development Loan Fund."

(t) Section 106(b) is amended by inserting "or transferred" after "allocated" in the first sentence, by inserting ", the Development Loan Fund," after "Secretary of Defense" in the first sentence, and by substituting "107(b)" and "411(d)" for "107(a)(2)" and "411(c)", respectively, in the second sentence.

(u) Section 106 is amended by adding at the end thereof a new subsection (d) reading as follows:

"(d) The sum provided for in section 402 of the Act and the first sum provided for in section 537(c) of the Act shall be divided between the Department of State and the Department of Defense as those departments shall mutually agree."

(v) Section 107 is amended by revoking section 107(a)(6) and section 107(b), by redesignating sections 107(a)(1), (2), (3), (4), and (5) as sections 107(a), (b), (c), (d), and (e), respectively, and by deleting "(a)" after the section heading.

(w) The section redesignated above as section 107(b) is amended by deleting "132(a),", "401", and "404", and by inserting "451(a)," after "410".

(x) The section redesignated above as section 107(c) is amended by substituting "413(c), 523(c)," for "415", and by inserting "and by the second sentence of section 416 of the Act," before "and, subject to".

(y) The section redesignated above as section 107(d) is amended to read as follows:

"(d) So much of the functions conferred upon the President by section 144 of the Act as consists of waiving specific provisions of section 142 of the Act."

(z) The following is added at the end of section 107 as amended above:

"(f) So much of the functions conferred upon the

² For text, see BULLETIN of Dec. 13, 1954, p. 914.

³ For text, see *ibid.*, May 30, 1955, p. 889.

⁴ For text, see *ibid.*, Aug. 15, 1955, p. 273.

⁵ For text, see *ibid.*, Apr. 16, 1956, p. 651.

⁶ For text, see *ibid.*, Dec. 23, 1957, p. 991.

President by section 415 of the Act as consists of furnishing assistance directly to the North Atlantic Treaty Organization for a strategic stockpile of foodstuffs and other supplies, or for other purposes."

(x-1) Part I is amended by substituting for section 108 new sections 108 and 109 reading as follows:

"SEC. 108. *Development Loan Fund.* (a) There are hereby delegated to the Managing Director of the Development Loan Fund, acting subject to the supervision and direction of the board of directors of the Development Loan Fund:

"(1) So much of the functions conferred upon the President by section 504(a) of the Act as consists of assisting American small business to participate equitably in the furnishing of commodities and services financed with funds authorized under Title II of Chapter II of the Act.

"(2) So much of the functions conferred upon the President by section 527(a) of the Act as consists of determining such personnel as need be employed by the Development Loan Fund to carry out the provisions and purposes of the Act.

"(b) There is hereby delegated to the Director of the Bureau of the Budget the function conferred upon the President by section 205(e) of the Act with respect to determining the records, personnel, and property of the International Cooperation Administration to be transferred to the Development Loan Fund in the event of disagreement between the Managing Director of the Development Loan Fund and the Director of the International Cooperation Administration.

"SEC. 109. *Cost-sharing arrangements.* Subject to the provisions of section 103(a)(1) of this order, the functions conferred upon the President by section 527(e) of the Act are hereby delegated to the several heads of Federal agencies in respect of any functions under the Act performed by officers and employees of those agencies, respectively."

(z-2) Part III is amended by renumbering sections 302 and 303 thereof as sections 303 and 304, respectively, and by adding after section 301 a new section 302 reading as follows:

"SEC. 302. *Employment of personnel overseas.* Persons henceforth appointed, employed, or assigned under section 527(c) of the Act for the purpose of performing functions under the Act outside the continental limits of the United States shall not, unless otherwise agreed by the United States Government agency in which such benefits may be exercised, be entitled to the benefits provided by section 528 of the Foreign Service Act of 1946, as amended, in cases in which their service under the appointment, employment, or assignment exceeds thirty months."

SEC. 2. Part II of Executive Order No. 10610 of May 9, 1955, is hereby revoked. Any other provision of Executive Order No. 10610 which is inconsistent with any amendment of Executive Order No. 10575 made by this order shall be subject to such amendment.

SEC. 3. The first sentence of section 2(a) of Executive

Order No. 10477 of August 1, 1953,¹ is hereby amended by adding before the period at the end thereof the following: ", and including also the authority available to the Secretary of State under section 571 of the Foreign Service Act of 1956, as amended".

Dwight D. Eisenhower

THE WHITE HOUSE,
May 20, 1959.

¹ For text, see *ibid.*, Aug. 24, 1953, p. 238.

Check List of Department of State Press Releases: June 1-7

Press releases may be obtained from the News Division, Department of State, Washington 25, D.C.

Releases issued prior to June 1 which appear in this issue of the BULLETIN are Nos. 341 of May 19, 352 of May 22, 359 of May 25, 361 and 365 of May 26, 368 of May 27, 371 of May 28, and 376 of May 29.

No.	Date	Subject
379	6/1	Thailand credentials (rewrite).
380	6/1	Report of U.S. delegation to 14th session of GATT.
*381	6/1	Murphy: remarks on receiving Laetare medal.
382	6/2	NATO science adviser appointed (rewrite).
383	6/2	Expulsion of Republic of China from International Olympic Committee.
*384	6/2	Rountree nominated as Ambassador to Pakistan (biographic details).
*385	6/2	Jones nominated as Assistant Secretary for Near Eastern and South Asian Affairs (biographic details).
386	6/3	DLF loan to Guatemala (rewrite).
†387	6/3	Austria to return property, rights, and interests to war persecutees.
*388	6/3	Cultural exchange (Morocco).
389	6/3	U.S. delegation to International Labor Conference (rewrite).
390	6/4	Satterthwaite leaves for Africa conference.
391	6/4	Dillon: subcommittee of House Banking and Currency Committee.
392	6/4	Indian research materials.
393	6/4	DLF loan to Spain (rewrite).
394	6/5	DLF loan to Ethiopia (rewrite).
*395	6/5	Hanes: House Un-American Activities Committee.
396	6/5	DLF loan to Jordan (rewrite).
†397	6/5	Shipping conference.
*398	6/5	Argentine meat-processing technicians visit U.S.
399	6/5	U.S. delegation to ICAO (rewrite).
*400	6/5	Itinerary of Presidents of European communities.
*401	6/6	Loomis appointed DLF General Counsel (biographic details).

*Not printed.

†Held for a later issue of the BULLETIN.

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July 1, 1957-June 30, 1958

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